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

To the Board of Trustees of
Western New York Maritime Charter School
Buffalo, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western New York Maritime Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western New York Maritime Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western New York Maritime Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Western New York Maritime 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 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 Western New York Maritime Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

R.A. MERCER & CO., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
October 13, 2020

WESTERN NEW YORK MARITIME CHARTER SCHOOL
FINANCIAL STATEMENTS
JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Western New York Maritime Charter School
Buffalo, New York

We have audited the accompanying financial statements of Western New York Maritime Charter School (a nonprofit organization), 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 opinions 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 opinions.

Opinion

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

Emphasis of a Matter

As described in Note 16 to the financial statements, the COVID-19 outbreak that occurred in 2020 has resulted in mandatory and voluntary closures of many governmental and private businesses. It is possible that this may negatively impact the School's revenue stream in the subsequent year.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020, on our consideration of Western New York Maritime 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 Western New York Maritime Charter School's internal control over financial reporting and compliance.

R.A. MERCER & CO., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
October 13, 2020

FINANCIAL STATEMENTS

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WESTERN NEW YORK MARITIME CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND JUNE 30, 2019

	2020	2019
ASSETS		
Current Assets		
Cash	\$ 531,011	1,372,908
Grants and Other Receivables	582,700	148,144
Prepaid Expenses	89,396	114,018
Fixed Assets		
Construction in Progress	1,088,277	2,012
Property and Equipment, net	3,282,511	3,533,568
 Total Assets	 5,573,895	 5,170,650
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Line of Credit	500,000	500,000
Accounts Payable	531,085	60,374
Lease Payable-Current Portion	12,724	12,365
Term Note-Current Portion	97,500	97,500
Accrued Expenses	778,236	727,436
Deferred Revenues	3,561	-
Long Term liabilities:		
Lease Payable-Long Term Portion	14,748	27,471
Term Note-Long Term Portion	1,590,444	1,683,731
Total Liabilities	3,528,298	3,108,877
Net Assets:		
Without Donor Restrictions	2,042,857	2,052,611
With Donor Restrictions	2,740	9,162
Total Net Assets	2,045,597	2,061,773
 Total Liabilities and Net Assets	 \$ 5,573,895	 5,170,650

The accompanying independent auditors' report should be read in conjunction with these financial statements.

**WESTERN NEW YORK MARITIME CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Public School District:			
Revenue - Resident Student Enrollment	\$ 5,704,108	-	5,704,108
- Special Education	755,321	-	755,321
Federal and State Grants	382,764	-	382,764
Fundraising	3,750	-	3,750
Food Service	235,730	-	235,730
Other Income	80,480	-	80,480
Net Assets Released from Restrictions	6,422	(6,422)	-
Total Revenue, Gains and Other Support	7,168,575	(6,422)	7,162,153
Expenses			
Program Expenses:			
Regular Education	4,452,984	-	4,452,984
Special Education	788,850	-	788,850
Other Program	664,649	-	664,649
Supporting Services:			
Management and General	1,271,846	-	1,271,846
Total Expenses:	7,178,329	-	7,178,329
Change in Net Assets	(9,754)	(6,422)	(16,176)
Net Assets - Beginning	2,052,611	9,162	2,061,773
Net Assets - Ending	\$ 2,042,857	2,740	2,045,597

The accompanying independent auditors' report should be read in conjunction with these financial statements.

**WESTERN NEW YORK MARITIME CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Public School District:			
Revenue - Resident Student Enrollment	\$ 5,890,523	-	5,890,523
- Special Education	710,855	-	710,855
Federal and State Grants	-	432,473	432,473
Contributions	13,214	5,200	18,414
Fundraising	11,395	-	11,395
Food Service	338,023	-	338,023
Other Income	110,159	-	110,159
Net Assets Released from Restrictions	442,707	(442,707)	-
Total Revenue, Gains and Other Support	7,516,876	(5,034)	7,511,842
Expenses			
Program Expenses:			
Regular Education	4,533,198	-	4,533,198
Special Education	572,808	-	572,808
Other Program	735,933	-	735,933
Supporting Services:			
Management and General	1,291,915	-	1,291,915
Total Expenses:	7,133,854	-	7,133,854
Change in Net Assets Before Other Expenses	383,022	(5,034)	377,988
Loss due to abandonment	394,543	-	394,543
Change in Net Assets	(11,521)	(5,034)	(16,555)
Net Assets - Beginning	2,064,132	14,196	2,078,328
Net Assets - Ending	\$ 2,052,611	9,162	2,061,773

The accompanying independent auditors' report should be read in conjunction with these financial statements.

**WESTERN NEW YORK MARITIME CHARTER SCHOOL
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Supporting Services	
	Regular Education	Special Education	Other Program	Management & General	Total
Salaries					
Administrative Staff	12 \$ -	-	-	559,936	559,936
Instructional	60 2,436,011	523,943	-	-	2,959,954
Non-instructional	7 -	-	364,225	-	364,225
Total Salaries	79 2,436,011	523,943	364,225	559,936	3,884,115
Payroll Taxes and Benefits	498,697	107,261	74,582	114,576	795,116
Pension	169,612	36,481	25,366	38,969	270,428
Instructional Consultants	12,636	-	-	-	12,636
Instructional Materials	3,254	-	-	-	3,254
Classroom Supplies	13,280	-	-	-	13,280
Technology	51,224	-	-	-	51,224
Uniforms	36,194	-	-	-	36,194
Athletic Department	15,590	-	-	-	15,590
Awards and Scholarships	7,449	-	-	-	7,449
Student Activities	28,684	-	-	-	28,684
Transportation	15,449	-	-	-	15,449
Food Service	-	-	125,266	-	125,266
Student Testing and Assessment	21,039	-	-	-	21,039
Staff Development	12,899	-	-	-	12,899
Consultants	-	-	-	12,751	12,751
Recruitment & Advertising	33,549	-	-	-	33,549
Dues and Memberships	3,291	-	-	-	3,291
Occupancy	578,808	77,174	38,587	77,174	771,743
Property Taxes	-	-	-	575	575
Utilities	107,061	14,274	7,139	14,275	142,749
Maintenance Expense	-	-	-	133,695	133,695
Insurance	83,854	11,181	5,590	11,181	111,806
Telephone	50,991	6,799	3,399	6,799	67,988
Office Supplies and Expense	-	-	-	14,991	14,991
Postage	2,123	283	142	283	2,831
Printing	15,345	2,046	1,023	2,046	20,460
Outside Services	620	83	41	83	827
Professional Fees	-	-	-	131,160	131,160
Miscellaneous	-	-	-	12,466	12,466
Depreciation	255,324	9,325	19,289	65,165	349,103
Amortization Expense	-	-	-	4,213	4,213
Interest expense	-	-	-	71,508	71,508
Total	\$ 4,452,984	788,850	664,649	1,271,846	7,178,329

WESTERN NEW YORK MARITIME CHARTER SCHOOL
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services	
	Regular Education	Special Education	Other Program	Management & General	Total
Salaries					
Administrative Staff	10 \$ -	-	-	528,662	528,662
Instructional	57 2,332,407	399,180	-	-	2,731,587
Non-instructional	10 -	-	386,596	-	386,596
Total Salaries	77 2,332,407	399,180	386,596	528,662	3,646,845
Payroll Taxes and Benefits	497,731	85,548	85,548	108,879	777,706
Pension	191,292	32,878	32,878	41,845	298,893
Instructional Consultants	12,357	-	-	-	12,357
Instructional Materials	8,012	-	-	-	8,012
Classroom Supplies	21,093	-	-	-	21,093
Technology	54,863	-	-	-	54,863
Field Trips	104	-	-	-	104
Uniforms	42,638	-	-	-	42,638
Athletic Department	21,470	-	-	-	21,470
Awards and Scholarships	7,450	-	-	-	7,450
Student Activities	60,960	-	-	-	60,960
Transportation	16,933	-	-	-	16,933
Food Service	-	-	163,984	-	163,984
Student Testing and Assessment	35,817	-	-	-	35,817
Staff Development	16,897	-	-	-	16,897
Consultants	-	-	-	14,610	14,610
Recruitment & Advertising	45,331	-	-	-	45,331
Dues and Memberships	2,960	-	-	-	2,960
Occupancy	711,323	44,458	44,458	88,916	889,155
Maintenance Expense	-	-	-	117,324	117,324
Insurance	96,932	6,058	6,058	12,116	121,164
Telephone	54,832	3,427	3,427	6,854	68,540
Office Supplies and Expense	-	-	-	18,833	18,833
Postage	3,059	191	191	382	3,823
Printing	12,952	810	810	1,619	16,191
Outside Services	4,135	258	258	517	5,168
Professional Fees	-	-	-	204,076	204,076
Miscellaneous	-	-	-	13,558	13,558
Depreciation	281,650	-	-	57,588	350,963
Amortization Expense	-	-	11,725	4,213	4,213
Interest expense	-	-	-	71,923	71,923
Total	\$ 4,533,198	572,808	735,933	1,291,915	7,133,854

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

**WESTERN NEW YORK MARITIME CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020
AND JUNE 30, 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Receipts from School Districts	\$ 6,459,429	6,601,378
Grant Receipts	(51,792)	602,132
Contributions	-	13,214
Cafeteria Revenues	235,730	338,023
Miscellaneous Sources	84,230	121,554
Payments to Employees for Services and Benefits	(4,949,659)	(4,723,444)
Payments to Vendors and Suppliers	<u>(2,411,925)</u>	<u>(2,012,367)</u>
Net cash flows provided by (used in) operating activities	<u>(633,987)</u>	<u>940,490</u>
Cash Flows Provided by/(Used by) Investing Activities		
Purchase of Property and Equipment	(98,046)	(568,096)
Loss due to abandonment	-	(394,543)
Net cash from (used in) investing activities	<u>(98,046)</u>	<u>(962,639)</u>
Cash Flows from Financing Activities		
Line of credit	-	500,000
Repayment of lease payable	(12,364)	(15,681)
Repayment of term note	<u>(97,500)</u>	<u>(97,500)</u>
Net Cash provided by/(used by) financing activities	<u>(109,864)</u>	<u>386,819</u>
Net Increase/Decrease in Cash and Cash Equivalents	(841,897)	364,670
Cash and Cash Equivalents - Beginning of Year	<u>1,372,908</u>	<u>1,008,238</u>
Cash and Cash Equivalents - End of Year	<u>\$ 531,011</u>	<u>1,372,908</u>
Reconciliation of change in net assets to net cash used by operating activities:		
Change in net assets	\$ (16,176)	(16,555)
Adjustments to reconcile change in net assets to net cash used by operating		
Depreciation and Amortization	353,316	355,176
Loss due to Abandonment	-	394,543
(Increase)/Decrease in Construction in Progress	(1,086,265)	1,488
(Increase)/Decrease in receivables	(434,556)	164,459
(Increase)/Decrease in prepaid expense and deposits	24,622	(27,932)
Increase/(Decrease) in accounts payable and accrued expenses	<u>525,072</u>	<u>69,311</u>
Net Cash used by operating activities	<u>\$ (633,987)</u>	<u>940,490</u>
Supplemental disclosures:		
Cash paid for interest:	\$ 71,508	71,923

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

**WESTERN NEW YORK MARITIME CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020
AND JUNE 30, 2019**

Note 1. Summary of Significant Accounting Policies

Organization and Description of Activities

On January 12, 2004, the Board of Regents of the University of the State of New York granted a five-year provisional charter to the Western New York Maritime Charter School (the School) to operate as an education corporation under New York law. The Board of Regents has approved the School's renewal applications four times. The most recent renewal was approved on March 3, 2020 and is applicable through June 30, 2025.

Charter schools receive state and federal public school funding and must meet all the same state and federal testing and learning requirements as public schools, yet they operate independently of the local school district, serving as their own local education agency.

Western New York Maritime Charter School was granted permission by New York State Board of Regents to expand the School to include a middle school. Beginning with fiscal year ended June 30, 2017, the School added grade 7. Grade 8 was added during fiscal year ending June 30, 2018.

Western New York Maritime Charter School is governed by a nine-member, uncompensated Board of Directors and had 450 and 444 students in grades seven through twelve for the years ending June 30, 2020 and 2019 respectively.

Western New York Maritime Charter School is a charter member of the U.S. Navy Junior Reserve Officers Training Corps Program.

Accrual Basis

The financial statements have been prepared on the accrual basis of accounting. Net assets are reported based on the presence of donor-imposed restrictions as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *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 a stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The School considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents which are included as cash in the accompanying financial statements.

At various times, cash and cash equivalents in financial institutions may exceed insured limits and subject the School to concentrations of credit risk.

Property, Equipment and Leasehold Improvements

Purchased property and equipment are recorded at cost and depreciation is provided for using the straight-line method over estimated useful lives. Leasehold improvements are capitalized at cost and are being amortized over their estimated useful lives.

Generally, equipment which has a cost in excess of \$500 at the date of acquisition and has an expected useful life of five years is capitalized.

Income Taxes

The School is a 501 (c) (3) organization exempt from taxation under Section 501 (a) of the Internal Revenue Code. The School believes it has taken no uncertain tax positions.

Support and Revenue

The School receives NYS per pupil aid which is passed through the district in which the student resides. Most of the students reside in the Buffalo Public School District. New York State Education Department mandates the rate per pupil. For the years ended June 30, 2020 and June 30, 2019, the per pupil rate was \$13,350 and \$13,494, respectively for Buffalo Public School District.

Contributions and grants are reported at fair value at the date the contribution/grant is made. A contribution or grant that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used, in which case they are recorded as net assets with donor restrictions.

Use of Estimates

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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including useful lives of long-lived assets.

Cost Allocation

The School's costs of providing its various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Classification of Net Assets

The School's net assets and activities that increase or decrease net assets are classified as net assets without donor restrictions or as net assets with donor restrictions.

Note 2. Liquidity and Availability

The School has \$1,110,971 of financial assets available within one year of the Statement of Financial Position date. The grants receivables are subject to purpose and time restrictions, but will be collected within one year. Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the Statement of Financial Position date, are comprised of the following:

Cash	\$	531,011
Grants and Other Receivables		582,700
Less: restricted by donors with purpose restrictions		<u>(2,740)</u>
Total Available for General Expenditures	\$	<u>1,110,971</u>

Note 3. Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable and current liabilities approximates fair value because of the short maturity of these instruments.

Note 4. Property and Equipment

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Leasehold and Land Improvements	\$ 524,933	524,933
Building	3,305,613	3,305,613
Office Equipment	435,286	374,786
Instructional and Other Equipment	<u>1,504,319</u>	<u>1,466,773</u>
	5,770,151	5,672,105
Less Accumulated Depreciation	<u>(2,487,640)</u>	<u>(2,138,537)</u>
Property and Equipment, Net	<u>3,282,511</u>	<u>3,533,568</u>
Construction In Progress	<u>1,088,277</u>	<u>2,012</u>
Total	<u>\$ 4,370,788</u>	<u>3,535,580</u>

Depreciation expense was \$349,103 and \$350,963 in 2020 and 2019 respectively.

Note 5. Accrued Liabilities

Accrued liabilities were as follows:

	<u>2020</u>	<u>2019</u>
Accrued Payroll	\$ 384,395	362,791
Accrued NYS TRS-Employer	279,093	307,459
Accrued NYS TRS-Employee	114,748	57,186
Total	<u>\$ 778,236</u>	<u>727,436</u>

Note 6. Federal and State Grants

The School has received grants which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. The School believes that disallowances, if any, will not be material. Total grants and other receivables for June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Title I Grant	\$ 92,177	20,833
Title II Grant	4,265	6,233
Title III Grant	558	-
Title IV Grant	5,300	6,357
Due From Other School District	480,400	92,149
Other Receivables	-	22,572
	<u>\$ 582,700</u>	<u>148,144</u>

Note 7. Line of Credit

The School has a \$500,000 line of credit with a local bank with interest payable at 1.5% above the bank's prime rate. This is a demand note and substantially all of the School's assets secure the loan. The interest rate was 2.275% at June 30, 2020 and 3.85% at June 30, 2019. The balance outstanding was \$500,000 at both June 30, 2020 and 2019.

Note 8. Capital Lease Obligation

The School was obligated under two non-cancellable capital leases for various equipment at June 30, 2020 and 2019. The assets carried capitalizable cost totaling \$62,942 and \$62,942 less accumulated depreciation in the amount of \$59,099 and \$60,807 for a net book values of \$2,135 and \$3,842 at June 30, 2020 and 2019 respectively. Future minimum lease payments due under the two remaining leases at June 30, 2020 are as follows:

Year Ending:	6/30/2021	\$	14,256
	6/30/2022		12,808
	6/30/2023		<u>2,014</u>
			29,078
Less: Amount representing interest			<u>(1,606)</u>
Present value of minimum capital lease payments			27,472
Less: Current portion			<u>(12,724)</u>
		\$	<u>14,748</u>

The total long-term portion of the lease obligation due as of June 30, 2020 and 2019 were \$14,748 and \$27,471 respectively.

Note 9. Term Note

The School is obligated under a 20-year promissory note for the property located at 102 Buffum Street, Buffalo, NY 14210. The School paid \$67,524 and \$69,121 in interest during the years ended June 30, 2020 and 2019 respectively. The outstanding balance on this note was \$1,687,944 and \$1,781,231 at June 30, 2020 and 2019 respectively. The School pledged all buildings, equipment, furnishings and improvements as security on the note. Interest is at 3.85% for 20 years. There were \$21,064 of closing costs on the loan. The monthly payment is \$8,125 principal plus interest. Future maturities are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
6/30/2021	\$ 97,500	63,657
6/30/2022	97,500	59,904
6/30/2023	97,500	56,150
6/30/2024	97,500	52,396
6/30/2025	97,500	48,642
2026-2030	487,500	186,906
2031-2035	487,500	93,062
2036-2038	<u>225,444</u>	<u>11,339</u>
	<u>\$ 1,687,944</u>	<u>572,056</u>

Note 10. Net Assets with Donor Restrictions

At June 30, 2020 and 2019 the School's Net Assets with Donor Restriction were restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 2,740	9,162
	<u>\$ 2,740</u>	<u>9,162</u>

Note 11. Operating Lease

The School had entered into a lease for its facilities effective April 1, 2005. The lease term was for a fifteen-year period expiring March 31, 2020. There were two five-year renewal options at escalating rent rates. The landlord had verbally agreed to continue this lease on a month to month basis through July, 2020. The monthly payments on this lease were \$64,312 per month.

Note 12. Pension Plan

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

The New York State Teachers' Retirement Board administers NYSTRS. The System 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The System is noncontributory, except for employees who joined the System after July 27, 1976, who contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. Those joining the system on or after January 1, 2010 are required to contribute 3.5% of their salary. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The charter school is required to contribute at an actuarially determined rate. The rates for the years ended June 30, 2020 and June 30, 2019 are 8.86% and 10.62%, respectively of the annual covered payroll. The required contributions for the current year and two preceding years were:

2020	\$	270,427
2019	\$	298,894
2018	\$	268,533

Note 13. Loss Due to Abandonment

The School incurred \$394,543 in 2019 for soft construction costs related to plans to expand its facility located in South Buffalo, New York. Another site was selected for expansion plans and the project was abandoned, resulting in a loss due to abandonment on the project of \$394,543 during the fiscal year ended June 30, 2019.

Note 14. Methods Used for the Allocation of Costs Among Program and Supporting Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. These expenses, therefore, require

allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, and pension expense which are allocated by function based on estimates of time and effort.

Note 15. Change in Accounting Principles

During the year ended June 30, 2020, the School implemented ASU 2014-09, *Revenue from Contracts with Customers*, and all related amendment (collectively, "ASC 606"). ASC 606 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects in exchange for the goods or services provided. It also required enhanced disclosures to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The School adopted ASC 606 and all related amendments as of July 1, 2019 using a modified retrospective application. There was no effect on the total net assets or change in net assets. The majority of the School's revenues are derived from services that fall outside the scope of ASC 606.

During the year ended June 30, 2020, the School also implemented ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. The adoption of this standard has no effect on the total previously report net assets as of June 30, 2019.

Note 16. Subsequent Events

Management has evaluated subsequent events through October 13, 2020, the date on which the financial statements were available to be issued.

In January, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency related to the global pandemic of the coronavirus (COVID-19). In an effort to fight the spread of this pandemic, business and state and local governments have implemented mandatory and voluntary closures of many governmental and private businesses. These closures may have a substantial negative effect on the revenue streams of local governments. The extent of the impact of COVID-19 on the School's financial performance will depend on further developments, such as the duration and spread of the outbreak, all of which cannot be predicted at this time.

In July, 2020, the School applied for and received a Payroll Protection Program loan in the amount of approximately \$932 thousand under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

In August, 2020, the School closed on a \$2 million mortgage related to capital improvements at its location in Buffalo, New York.

Note 17. Contingency

In 2019, an audit by the Office of the New York State Comptroller found the District had provided incorrect special education rates for over a decade. As a result, there is a dispute with the rate used for aid that passes through the District to the School for special education services. In February 2020, the District informed the School of

its intent to recoup approximately \$642,000 in special education aid paid over the past decade of which approximately \$321,000 was recouped through June 30, 2020. This recoupment, in the amount of approximately \$321,000, has been recorded as a receivable at June 30, 2020 in the accompanying financial statements.

In April 2020, a court ruling determined that charter schools must first exhaust administrative remedies by submitting a State intercept form to the New York State Education Department Commissioner to recover monies withheld from the School. Consequently, the School has submitted a State intercept to the Commissioner and is following the administrative procedures to resolve the matter. No liability is recorded in these financial statements as management believes the School will be successful in challenging the District's recoupment of funds through the State administrative procedure.

COMPLIANCE AND INTERNAL CONTROL

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

To the Board of Trustees of
Western New York Maritime Charter School
Buffalo, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western New York Maritime Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western New York Maritime Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western New York Maritime Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Western New York Maritime 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 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 Western New York Maritime Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

R.A. MERCER & CO., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
October 13, 2020



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Western New York Maritime Charter School
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Buffalo City School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Karen Burhans
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	R.A. MERCER & CO., P.C.
School Audit Contact Name:	Kathryn Larracuenta
School Audit Contact Email:	[REDACTED]
School Audit Contact Phone:	[REDACTED]
Audit Period:	2019-20
Prior Year:	2018-19

The following items are required to be included:

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

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

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

Western New York Maritime Charter School
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 531,011	\$ 1,372,908
Grants and contracts receivable	582,700	148,144
Accounts receivables	-	-
Prepaid Expenses	89,396	114,018
Contributions and other receivables	-	-
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>1,203,107</u>	<u>1,635,070</u>
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 3,282,511	\$ 3,533,568
Restricted Cash	-	-
Security Deposits	-	-
Other Non-Current Assets	1,088,277	2,012
TOTAL NON-CURRENT ASSETS	<u>4,370,788</u>	<u>3,535,580</u>
TOTAL ASSETS	<u>5,573,895</u>	<u>5,170,650</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 531,085	\$ 60,374
Accrued payroll, payroll taxes and benefits	778,236	727,436
Current Portion of Loan Payable	110,224	109,865
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	3,561	-
Other Current Liabilities	500,000	500,000
TOTAL CURRENT LIABILITIES	<u>1,923,106</u>	<u>1,397,675</u>
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 1,605,192	\$ 1,711,202
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	<u>1,605,192</u>	<u>1,711,202</u>
TOTAL LIABILITIES	<u>3,528,298</u>	<u>3,108,877</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 2,042,857	\$ 2,052,611
Temporarily restricted	2,740	9,162
Permanently restricted	-	-
TOTAL NET ASSETS	<u>2,045,597</u>	<u>2,061,773</u>
TOTAL LIABILITIES AND NET ASSETS	<u>5,573,895</u>	<u>5,170,650</u>

Western New York Maritime 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	\$ 5,704,108	\$ -	\$ 5,704,108	\$ 5,890,523
State and Local Per Pupil Revenue - SPED	755,321	-	755,321	710,855
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	382,764	-	382,764	432,473
State and City Grants	-	-	-	-
Other Operating Income	80,480	-	80,480	110,159
Food Service/Child Nutrition Program	235,730	-	235,730	338,023
TOTAL OPERATING REVENUE	7,158,403	-	7,158,403	7,482,033
EXPENSES				
Program Services				
Regular Education	\$ 4,452,984	\$ -	\$ 4,452,984	\$ 4,533,198
Special Education	788,850	-	788,850	572,808
Other Programs	664,649	-	664,649	735,933
Total Program Services	5,906,483	-	5,906,483	5,841,939
Management and general	1,271,846	-	1,271,846	1,291,915
Fundraising	-	-	-	-
TOTAL EXPENSES	7,178,329	-	7,178,329	7,133,854
SURPLUS / (DEFICIT) FROM OPERATIONS	(19,926)	-	(19,926)	348,179
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ -	\$ -	\$ -	\$ -
Contributions and Grants	-	-	-	18,414
Fundraising Support	3,750	-	3,750	11,395
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUE	3,750	-	3,750	29,809
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ 6,422	\$ (6,422)	\$ -	\$ (394,543)
CHANGE IN NET ASSETS	(9,754)	(6,422)	(16,176)	(16,555)
NET ASSETS - BEGINNING OF YEAR	\$ 2,052,611	\$ 9,162	\$ 2,061,773	\$ 2,078,328
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 2,042,857	\$ 2,740	\$ 2,045,597	\$ 2,061,773

**Western New York Maritime 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		
Revenues from School Districts	6,459,429	6,601,378
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	-	-
Grants Receivable	(51,792)	602,132
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	-	-
Accounts Payable	(2,411,925)	(2,012,367)
Accrued Expenses	(4,949,659)	(4,723,444)
Accrued Liabilities	-	-
Contributions and fund-raising activities	-	13,214
Miscellaneous sources	84,230	121,554
Deferred Revenue	-	-
Interest payments	-	-
Other	235,730	338,023
Other	-	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ (633,987)	\$ 940,490
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(98,046)	(568,096)
Other	-	(394,543)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (98,046)	\$ (962,639)
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	(109,864)	(113,181)
Other	-	500,000
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ (109,864)	\$ 386,819
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (841,897)	\$ 364,670
Cash at beginning of year	1,372,908	1,008,238
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 531,011	\$ 1,372,908

**Western New York Maritime Charter School
Statement of Functional Expenses
as of June 30**

		2020							2019	
No. of Positions	Program Services				Supporting Services			Total		
	Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total			
	\$	\$	\$	\$	\$	\$	\$	\$		
Personnel Services Costs										
Administrative Staff Personnel	12.00	-	-	-	-	559,936	559,936	559,936	528,662	
Instructional Personnel	60.00	2,436,011	523,943	-	2,959,954	-	-	2,959,954	2,731,587	
Non-Instructional Personnel	7.00	-	-	364,225	364,225	-	-	364,225	386,596	
Total Salaries and Staff	79.00	2,436,011	523,943	364,225	3,324,179	-	559,936	559,936	3,884,115	
Fringe Benefits & Payroll Taxes		498,697	107,261	74,582	680,540	-	114,576	114,576	795,116	
Retirement		169,612	36,481	25,366	231,459	-	38,969	38,969	270,428	
Management Company Fees		-	-	-	-	-	-	-	-	
Legal Service		-	-	-	-	-	8,740	8,740	8,740	
Accounting / Audit Services		-	-	-	-	-	122,420	122,420	122,420	
Other Purchased / Professional / Consulting Services		13,256	83	41	13,380	-	12,834	12,834	26,214	
Building and Land Rent / Lease		578,808	77,174	38,587	694,569	-	77,174	77,174	771,743	
Repairs & Maintenance		-	-	-	-	-	133,695	133,695	133,695	
Insurance		83,854	11,181	5,590	100,625	-	11,181	11,181	111,806	
Utilities		158,052	21,073	10,538	189,663	-	21,074	21,074	210,737	
Supplies / Materials		16,534	-	-	16,534	-	-	-	16,534	
Equipment / Furnishings		-	-	-	-	-	-	-	-	
Staff Development		12,899	-	-	12,899	-	-	-	12,899	
Marketing / Recruitment		33,549	-	-	33,549	-	-	-	33,549	
Technology		51,224	-	-	51,224	-	-	-	51,224	
Food Service		-	-	125,266	125,266	-	-	-	125,266	
Student Services		124,405	-	-	124,405	-	-	-	124,405	
Office Expense		17,468	2,329	1,165	20,962	-	17,320	17,320	38,282	
Depreciation		255,324	9,325	19,289	283,938	-	69,378	69,378	353,316	
OTHER		3,291	-	-	3,291	-	84,549	84,549	87,840	
Total Expenses		\$ 4,452,984	\$ 788,850	\$ 664,649	\$ 5,906,483	\$ -	\$ 1,271,846	\$ 1,271,846	\$ 7,178,329	\$ 7,133,854

Charter School Name Here

Contact Name: Angel Beiter
 Contact Email: [REDACTED]
 Contact Phone: [REDACTED]
 Term: July 1, 2020 to June 30, 2021

PROJECTED BUDGET FOR RENEWAL CHARTER PERIOD

DESCRIPTION OF ASSUMPTIONS

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

Total Revenue	7,861,949
Total Expenses	7,698,781
Net Income (Before Cash Flow Adjustments)	163,168
Actual Student Enrollment	478
Total Paid Student Enrollment	-

**Year 1
2020-2021**

Note: Please insert additional detail lines as appropriate.

REVENUE

Per Pupil

REVENUES FROM STATE SOURCES

0.0%

<https://stateaid.nys>

Per Pupil Revenue:	CY Per Pupil Rate	
School District 1 (Buffalo)	13,200	5,187,600
School District 2 (Enter Name)		-
School District 3 (Enter Name)		-
School District 4 (Enter Name)		-
School District 5 (Enter Name)		-
School District 6 (Enter Name)		-

rate per pupil

School District - ALL OTHER	10,927	928,795
TOTAL Per Pupil Revenue (Average Districts Per Pupil Funding)	12,064	6,116,395

Enrollment: 65 highschool students, 20 middle school students (various surrounding districts - approx 30 suburbs). Average rate per pupil approx \$10,927

Special Education Revenue		923,304
Grants		-
Other		-
TOTAL REVENUE FROM STATE SOURCES		7,039,699

74 @ 0.9, 17 @ 1.65 level of funding

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs		-
Title I		185,000
Title Funding - Other		64,150
School Food Service (Free Lunch)		-
Grants		165,800
TOTAL REVENUE FROM FEDERAL SOURCES		414,950

US Navy provides half the salary for the naval instructors and cost of uniform maintenance

LOCAL and OTHER REVENUE

Contributions and Donations		15,000
Fundraising		10,000
Erate Reimbursement		-
Earnings on Investments		-
Interest Income		760
Food Service (Income from meals)		326,540
Text Book		-
OTHER		55,000
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		407,300

Physical Training Gear Revenue: \$10,000. E-rate: \$45,000

TOTAL REVENUE		7,861,949
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EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

	No. of Positions		
Executive Management	3.00	268,243	2% salary increase - Commandant, Vice Commandant - HS, Vice Commandant MS
Instructional Management Deans, Directors & Coordinators	3.00	202,000	2% salary increase - Dean of Students, Director of Student Services, High School Asst Dean of Students, MS Asst Dean of Students
CFO / Director of Finance	-	-	
Operation / Business Manager	1.00	60,000	2% salary increase - Director of Administrative services
Administrative Staff	5.00	172,020	2% salary increase - admin assistants and receptionists
TOTAL ADMINISTRATIVE STAFF	12.00	702,263	

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	32.50	1,573,233	2% salary increase
Teachers - SPED	10.00	427,000	2% salary increase (note: there are additional SPED costs performed by other positions, including counselors)
Substitute Teachers	2.50	94,446	2% salary increase
Teaching Assistants	1.00	38,250	2% salary increase
Specialty Teachers	18.00	842,897	2% salary increase
Aides	-	-	
Therapists & Counselors	3.00	151,000	2% salary increase
Other	-	-	
TOTAL INSTRUCTIONAL	67.00	3,126,826	

NON-INSTRUCTIONAL PERSONNEL COSTS

Nurse	1.00	39,000	2% salary increase
Librarian	1.00	55,626	2% salary increase
Custodian	6.00	195,657	2% salary increase
Security	1.00	34,291	2% salary increase
Other	3.00	135,000	Food service: 2% salary increase
TOTAL NON-INSTRUCTIONAL	12.00	459,574	

SUBTOTAL PERSONNEL SERVICE COSTS

91.00	4,288,663
-------	-----------

PAYROLL TAXES AND BENEFITS

Payroll Taxes	394,600	9.5% of salaries
Fringe / Employee Benefits	589,836	Health insurance is provided for all full-time personnel. 10% increase
Retirement / Pension	370,030	10% increase
TOTAL PAYROLL TAXES AND BENEFITS	1,354,466	

TOTAL PERSONNEL SERVICE COSTS

91.00	5,643,129
-------	-----------

CONTRACTED SERVICES

Accounting / Audit	128,670	2% increase for accounting, 4% for audit, HR consulting of \$2,600
Legal	15,000	
Management Company Fee	-	
Nurse Services	-	
Food Service / School Lunch	187,040	
Payroll Services	9,920	\$170 per payroll
Special Ed Services	-	
Titlement Services (i.e. Title I)	-	
Related service provider costs not reimbursed by the district of residence	-	
Other Purchased / Professional / Consulting	20,920	Buffalo state boatbuilding consultants: \$10,000
TOTAL CONTRACTED SERVICES	361,550	

SCHOOL OPERATIONS

Board Expenses	3,700	
Classroom / Teaching Supplies & Materials	-	
Special Ed Supplies & Materials	-	
Textbooks / Workbooks	8,710	\$15 per student for high school, \$20 per student for middle school
Supplies & Materials other	35,100	
Equipment / Furniture	-	
Telephone	74,800	Windstream, Earthlink, DFT, Verizon
Technology	84,720	
Student Testing & Assessment	33,000	\$25,000 for high school, \$8,000 for middle school
Field Trips	-	
Transportation (student)	20,440	
Student Services - other	51,400	Includes Athletic department,
Office Expense	37,000	
Staff Development	26,770	Same as budgeted prior year
Staff Recruitment	25,000	
Student Recruitment / Marketing	25,000	

School Meals / Lunch	-	
Travel (Staff)	-	
Fundraising	5,000	
Other	205,014	Includes uniforms, miscellaneous, interest, dues & subscriptions
TOTAL SCHOOL OPERATIONS	635,654	
FACILITY OPERATION & MAINTENANCE		
Insurance	121,608	
Janitorial	108,640	
Building and Land Rent / Lease	150,000	Move to new campus 9/1/20 (2 months rent at \$75,000 per month)
Repairs & Maintenance	90,900	
Equipment / Furniture	-	
Security	-	
Utilities	159,300	Gas at \$0.70 per square foot, Electric \$0.50 per square foot
TOTAL FACILITY OPERATION & MAINTENANCE	630,448	
DEPRECIATION & AMORTIZATION		
High school depreciation	167,000	
Middle school depreciation	236,000	
Insert Detail as Applicable	-	
TOTAL DEPRECIATION AND AMORTIZATION	403,000	
*****TOTAL FUNDS IN DISSOLUTION ESCROW & RESERVES / CONTIGENCY	25,000	<i>\$100,000 by December 31st of YR 2 (2022-2023). You should already</i>
TOTAL EXPENSES	7,698,781	
NET INCOME	163,168	

ENROLLMENT - *School Districts Are Linked To Above Entries*		Add as many school districts as necessary.
School District 1 (Buffalo)	393	
School District 2 (Enter Name)	-	
School District 3 (Enter Name)	-	
School District 4 (Enter Name)	-	
School District 5 (Enter Name)	-	
School District 6 (Enter Name)	-	
School District - ALL OTHER	85	various surrounding suburbs - approx. 30 districts
TOTAL ENROLLMENT	478	
REVENUE PER PUPIL	16,448	
EXPENSES PER PUPIL	16,106	

CASH FLOW ADJUSTMENTS		
OPERATING ACTIVITIES		
Example - Add Back Depreciation	403,000	
Total Operating Activities	403,000	
INVESTMENT ACTIVITIES		
Example - Subtract Property and Equipment Expenditures	(360,000)	
Other	-	
Total Investment Activities	(360,000)	
FINANCING ACTIVITIES		
Proceeds from mortgage	675,000	
Principal payments on debt	(264,650)	
Total Financing Activities	410,350	
Total Cash Flow Adjustments	453,350	
NET INCOME	616,518	
Beginning Cash Balance	456,011	
ENDING CASH BALANCE	1,072,529	