

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NEW YORK, NEW YORK

AUDITED FINANCIAL STATEMENTS

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2020
(With Comparative Totals for 2019)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
WHIN Music Community Charter School

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited WHIN Music Community Charter School's June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020 on our consideration of WHIN Music Community 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 WHIN Music Community Charter School's internal control over financial reporting and compliance.

Emphasis of Matters

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 28, 2020

WHIN MUSIC COMMUNITY CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

(With Comparative Totals for 2019)

	<u>June 30,</u>	
<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 383,352	\$ 483,369
Grants and other receivables, net of allowance for doubtful accounts of \$105,637 at June 30, 2020	290,876	157,807
Pledges receivable	-	25,000
Prepaid expenses and other current assets	25,108	27,213
TOTAL CURRENT ASSETS	699,336	693,389
<u>OTHER ASSETS</u>		
Property and equipment, net	506,341	244,178
Cash in escrow	75,130	50,079
	581,471	294,257
TOTAL ASSETS	\$ 1,280,807	\$ 987,646
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 205,628	\$ 110,856
Accrued payroll and benefits	207,761	208,702
Note payable	113,372	-
Current portion of long-term debt	21,027	12,030
TOTAL CURRENT LIABILITIES	547,788	331,588
<u>LONG-TERM DEBT, net of current portion</u>	35,281	27,067
TOTAL LIABILITIES	583,069	358,655
<u>NET ASSETS</u>		
Without donor restrictions	697,738	603,991
With donor restrictions	-	25,000
TOTAL NET ASSETS	697,738	628,991
TOTAL LIABILITIES AND NET ASSETS	\$ 1,280,807	\$ 987,646

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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

	Year ended June 30,			2019
	2020		Total	
	Without donor restrictions	With donor restrictions		
Operating revenue and support:				
State and local per pupil operating revenue	\$ 3,620,534	\$ -	\$ 3,620,534	\$ 2,516,052
Government grants	135,888	-	135,888	420,285
Private grants	77,543	-	77,543	91,455
Other income	5,660	-	5,660	3,696
Net assets released from restriction	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	3,864,625	(25,000)	3,839,625	3,031,488
Expenses:				
Program:				
Regular education	1,860,426	-	1,860,426	1,494,716
Special education	988,353	-	988,353	777,358
Management and general	835,499	-	835,499	608,800
Fundraising	<u>86,600</u>	<u>-</u>	<u>86,600</u>	<u>15,029</u>
TOTAL EXPENSES	<u>3,770,878</u>	<u>-</u>	<u>3,770,878</u>	<u>2,895,903</u>
CHANGE IN NET ASSETS	93,747	(25,000)	68,747	135,585
Net assets at beginning of year	<u>603,991</u>	<u>25,000</u>	<u>628,991</u>	<u>493,406</u>
NET ASSETS AT END OF YEAR	<u>\$ 697,738</u>	<u>\$ -</u>	<u>\$ 697,738</u>	<u>\$ 628,991</u>

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

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

	Year Ended June 30,								2019
	2020				2019				
	No. of Positions	Program Services			Supporting Services			Total	
Regular Education		Special Education	Sub-total	Management and General	Fundraising	Sub-total			
Personnel Services Costs:									
Administrative staff personnel	11	\$ 359,149	\$ 55,254	\$ 414,403	\$ 344,805	\$ 50,000	\$ 394,805	\$ 809,208	\$ 634,050
Instructional personnel	23	818,536	584,668	1,403,204	-	-	-	1,403,204	1,101,794
Total personnel services costs	34	1,177,685	639,922	1,817,607	344,805	50,000	394,805	2,212,412	1,735,844
Fringe benefits and payroll taxes		286,061	155,438	441,499	83,753	12,145	95,898	537,397	403,529
Retirement		10,152	5,516	15,668	2,972	431	3,403	19,071	13,582
Legal service		-	-	-	20,475	-	20,475	20,475	14,185
Accounting / audit services		-	-	-	205,244	-	205,244	205,244	188,064
Other purchased / professional / consulting services		46,362	42,092	88,454	13,574	16,968	30,542	118,996	119,000
Repairs and maintenance		6,894	3,746	10,640	2,018	293	2,311	12,951	425
Insurance		18,870	10,254	29,124	5,525	801	6,326	35,450	28,914
Supplies / materials		53,366	16,897	70,263	-	-	-	70,263	75,509
Equipment / furnishings		5,472	2,973	8,445	1,602	232	1,834	10,279	2,642
Staff development		39,576	21,504	61,080	11,587	1,680	13,267	74,347	52,995
Marketing / recruitment		15,848	6,950	22,798	2,495	362	2,857	25,655	51,991
Technology		37,026	18,847	55,873	9,198	1,334	10,532	66,405	68,674
Student services		107,677	34,092	141,769	-	-	-	141,769	36,276
Office expense		2,853	1,549	4,402	12,300	121	12,421	16,823	29,080
Depreciation		52,584	28,573	81,157	15,395	2,233	17,628	98,785	69,841
Other		-	-	-	104,556	-	104,556	104,556	5,352
		<u>\$ 1,860,426</u>	<u>\$ 988,353</u>	<u>\$ 2,848,779</u>	<u>\$ 835,499</u>	<u>\$ 86,600</u>	<u>\$ 922,099</u>	<u>\$ 3,770,878</u>	<u>\$ 2,895,903</u>

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

STATEMENT OF CASH FLOWS

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

	<u>Year ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 68,747	\$ 135,585
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	98,785	69,841
Bad debts	105,637	-
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(238,706)	(89,482)
Pledges receivable	25,000	100,000
Prepaid expenses and other current assets	2,105	(19,213)
Accounts payable and accrued expenses	94,772	(98,782)
Accrued payroll and benefits	(941)	96,896
NET CASH PROVIDED FROM OPERATING ACTIVITIES	<u>155,399</u>	<u>194,845</u>
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>(324,960)</u>	<u>(41,289)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(324,960)</u>	<u>(41,289)</u>
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Repayments on long term debt	(18,777)	(9,023)
Repayments on note payable	-	(30,000)
Borrowings on note payable	<u>113,372</u>	<u>-</u>
NET CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	<u>94,595</u>	<u>(39,023)</u>
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH	(74,966)	114,533
Cash and restricted cash at beginning of year	<u>533,448</u>	<u>418,915</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 458,482</u>	<u>\$ 533,448</u>

WHIN MUSIC COMMUNITY CHARTER SCHOOL

STATEMENT OF CASH FLOWS, Cont'd

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Reconciliation of cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows		
Cash	\$ 383,352	\$ 483,369
Cash in escrow	<u>75,130</u>	<u>50,079</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 458,482</u>	<u>\$ 533,448</u>
 <u>NON-CASH OPERATING AND INVESTING ACTIVITIES</u>		
Purchases of property and equipment included in accounts payable	<u>\$ -</u>	<u>\$ 27,526</u>
 <u>NON-CASH INVESTING AND FINANCING ACTIVITIES</u>		
Purchases of property and equipment financed with long-term debt	<u>\$ 35,988</u>	<u>\$ 48,120</u>

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(With Comparative Totals for 2019)

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

The Charter School

WHIN Music Community Charter School (the “Charter School”) is an educational corporation that operates as a charter school in New York, New York. The Charter School provides a uniquely challenging educational program that incorporates intensive daily music instruction, fosters innovative teaching methods, imbues students with a love of learning and facilitates the development of the community through music, academic, and social inclusion. On June 14, 2016 the Board of Regents of the University of the State of New York granted the Charter School a provisional charter valid for a term of five years (through June 30, 2022) and renewable upon expiration.

Classification of net assets

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

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Charter School had no assets with donor restrictions at June 30, 2020. The Charter School had \$25,000 of net assets with donor restrictions at June 30, 2019 as described in Note D.

Revenue and support recognition

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

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

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

State and local per pupil operating revenue

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

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

	<u>June 30,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Grants and other receivables	\$ 206,993	\$ 39,013	\$ 28,568

Contributions

The Charter School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions and unconditional promises to give are recorded as revenue in the appropriate class of net assets depending on the existence of any donor restrictions. A contribution that is received and expended in the same period for a specific purpose is classified as revenue without donor restrictions.

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

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

Grant revenue

Some of the Charter School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter School has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position. There were no amounts received prior to incurring qualifying expenditures, which would be reported as deferred revenue in the accompanying statement of financial position at June 30, 2020 and 2019, respectively. The Organization has not any received cost-reimbursement grants that have not been recognized at June 30, 2020 and 2019, because qualifying expenditures have not yet been incurred.

Cash

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

Cash in escrow

The Charter School is required to maintain cash in an escrow account in accordance with the terms of its charter agreement. The agreement requires \$25,000 to be placed in escrow each of the first three years of operations and a balance of \$75,000 be maintained to fund any audit and legal expenses incurred should the Charter School cease operations and dissolve. The amount in escrow was \$75,130 and 50,079 at June 30, 2020 and 2019, respectively.

Grants and other receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. At June 30, 2020, the allowance for doubtful accounts was \$105,637. There was no allowance for doubtful accounts at June 30, 2019.

Pledges receivable

Pledges receivable represent unconditional promises to give. Those that are expected to be collected within one year are recorded at their net realizable value. For amounts to be collected in future years, no discount was considered necessary to record estimated future collections at their present value. There was no allowance for uncollectible pledges receivable at June 30, 2020 and 2019.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to seven years.

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

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

Contributed services

The Charter School is located in a New York City Department of Education facility and utilizes approximately 39,000 square feet at no charge. In addition, the Charter School receives contributed services from volunteers to develop its academic program and to serve on the Board of Trustees, and received transportation services provided by the local district. The Charter School was unable to determine a value for these services.

Tax exempt status

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

The Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2017 through June 30, 2020 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$25,700 and \$52,000 for the years ended June 30, 2020 and June 30, 2019, respectively.

Use of estimates in the preparation of financial statements

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

Functional allocation of expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Comparatives for the period ended June 30, 2019

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

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

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

Adoption of New Accounting Standards

Revenue from contracts with customers

In May 2014, the Financial Accounting Standards Board (“FASB”) issued new guidance related to revenue recognition (ASC 606), which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Charter School adopted ASC 606 with a date of the initial application of July 1, 2019.

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

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

Contributions received and contributions made

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

Statement of cash flows

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

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

New accounting pronouncement - leases

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

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 28, 2020, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

NOTE B: LIQUIDITY AND AVAILABILITY

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

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

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Charter School’s cash and shows positive cash generated by operations for fiscal years 2020 and 2019.

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash	\$ 383,352	\$ 483,369
Grants and other receivables	290,876	157,807
Pledges receivable	<u>-</u>	<u>25,000</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 674,228</u>	<u>\$ 666,176</u>

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Furniture	\$ 140,516	\$ 101,858
Office equipment	77,713	67,475
Leasehold improvements	69,475	69,475
Musical equipment	95,748	56,401
Computer equipment	64,735	60,339
Construction-in-progress	<u>280,180</u>	<u>11,871</u>
	728,367	367,419
Less accumulated depreciation and amortization	<u>222,026</u>	<u>123,241</u>
	<u>\$ 506,341</u>	<u>\$ 244,178</u>

At June 30, 2020, the Charter School had construction-in-progress of \$280,180 relating to costs for a new facility (see Note F). No provision for depreciation will be made for these costs until the facility is put into use. The Charter School has additional commitments with vendors and contractors relating to the new facility totaling approximately \$150,000.

NOTE D: NET ASSETS

Net assets without donor restrictions consist of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Undesignated net assets	\$ 361,077	\$ 398,910
Invested in property and equipment, net of related debt	<u>336,661</u>	<u>205,081</u>
	<u>\$ 697,738</u>	<u>\$ 603,991</u>

Net assets with donor restrictions consist of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Restricted due to time	<u>\$ -</u>	<u>\$ 25,000</u>

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE E: LINE OF CREDIT

The Charter School entered into a \$75,000 line of credit with a credit union in August 2018. The interest rate on the line of credit is fixed at 9.75%. There were no borrowings on the line of credit during the years ended June 30, 2020 and 2019.

NOTE F: SCHOOL FACILITY

During 2017, the Charter School received approval from the New York City Department of Education for use of dedicated and shared space for no charge at Middle School 328 Community Math & Science Prep, a New York Public School located at 401 West 164th Street, New York, NY.

During 2019, the Charter School began exploring alternative options for a permanent location and in April 2019, the Charter School signed a non-binding letter of intent to enter into a ground lease for a permanent location. The Board of Trustees approved expenditure of up to \$214,000 to explore obtaining necessary approvals. In January 2020, Friends of WHIN Music Community Charter School (an unrelated entity) entered into a lease for this location.

On February 6, 2020, the Charter School signed a sublease with Friends of WHIN Music Community Charter School for a property located at 506 West 181st Street, New York, NY. Friends of WHIN Music Community Charter School is responsible for completing certain work on the premises to prepare the premises for the Charter School's occupancy. The commencement date of the sublease is contingent on Friends of WHIN Music Community Charter School securing a loan to finance the work to be done to prepare the facility for the Charter School's occupancy. Upon the commencement of the lease, the Charter School will be required to make a security deposit of \$225,000 in the form of cash or a letter of credit. The term of the sublease shall be for approximately forty (40) years, commencing on the commencement date as described above.

Each sublease year will run from July 1st to June 30th. The first rental year shall run from the commencement date through June 30th of the year the commencement date occurs. Provided the Charter School is not in default under the terms of the sublease, rent shall be abated as follows:

1. From the commencement date through June 30, 2021, rent shall be abated in its entirety.
2. Should the premise be delivered to the Charter School ready for occupancy in lease year 2 (July 1, 2021 through June 30, 2022) monthly rent shall be reduced by \$30,208.33 from lease year 2 delivery date through the 2nd anniversary of the commencement date.
3. Should the premise not be delivered until lease year 3 (July 1, 2022 through June 30, 2023), rent for lease year 2 shall be abated in its entirety, and rent for lease year 3 shall not commence until the premises are delivered to the Charter School ready for occupancy, at which time the rent shall be the full rent set forth in the lease, unless the lease year 3 delivery date occurs within 24 months of the commencement date, in which case monthly rent during lease year 3 shall be reduced by \$30,208.33 until the 2nd anniversary of the commencement date.

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE F: SCHOOL FACILITY, Cont'd

Before considering the impact of any possible rent abatement, future payments on the lease are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 2,016,290
2022	2,016,290
2023	2,016,290
2024	2,016,290
2025	2,088,790
Thereafter	<u>69,314,850</u>
Total	<u>\$ 79,468,800</u>

As of October 28, 2020, Friends of WHIN Music Community Charter School has not secured a loan to finance the work to be done to prepare the facility for the Charter School's occupancy, and, therefore, the lease commencement date has not yet been established.

NOTE G: CONTINGENCY

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

NOTE H: CONCENTRATIONS

At June 30, 2020 and 2019, grants and other receivables and pledges receivable are comprised of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
New York State	80%	10%
Per Pupil - District A	16%	**
Foundation	**	14%
Charter School Program (CSP) grant	**	69%

**Balance represents less than 10% of total grants and other receivables and pledges receivable

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE H: CONCENTRATIONS, Cont'd

During the years ended June 30, 2020 and 2019 total operating revenue and support came from the following sources:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
New York City per-pupil	94%	83%
Charter School Program (CSP) grant	**	10%

**Revenue represents less than 10% of total operating revenue and support

The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located.

NOTE I: RETIREMENT PLAN

The Charter School sponsors a 403(b) retirement plan ("the Plan") for its employees. All employees are immediately eligible to participate in the Plan. The Plan allows for the Charter School to make a matching contribution to the Plan. The Charter School contributed approximately \$19,100 and \$13,600 the Plan for the years ended June 30, 2020 and June 30, 2019, respectively.

NOTE J: OPERATING LEASES

The Charter School entered into non-cancellable lease agreements for office equipment expiring at various dates through February 2022. The future payments on these agreements are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 4,721
2022	981
Total	<u>\$ 5,702</u>

NOTE K: NOTE PAYABLE

On March 26, 2020 the Charter School entered into a loan agreement with Nonprofit Finance Fund (NFF) for a loan with a maximum aggregate principal amount of \$600,000 to be used for closing costs and to finance predevelopment activities related to improvements at 506 West 181st Street, New York, NY (the "project"), the future site of the Charter School's facility. As of June 30, 2020, the Charter School has borrowed \$113,372 of the amount available on this loan. The interest rate is fixed at 6.75%, annually, with interest-only payments due monthly. The loan matures on the earlier of March 26, 2021 or the closing of permanent construction financing for the project at which point all outstanding principal and interest is due.

In connection with the note payable, the Charter School is required to maintain compliance with certain covenants. At June 30, 2020, the Charter School was in compliance with these covenants.

WHIN MUSIC COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE L: LONG-TERM DEBT

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Contract to purchase musical instruments. The Contract requires quarterly payments of \$3,007 beginning December 2018 through September 2022.	\$ 27,067	\$ 39,097
Contract to purchase musical instruments. The Contract requires quarterly payments of \$2,249 beginning December 2019 through September 2023.	<u>29,241</u>	<u>-</u>
	56,308	39,097
Less: current portion of long-term debt	<u>21,027</u>	<u>12,030</u>
	<u>\$ 35,281</u>	<u>\$ 27,067</u>

Future maturities of long-term debt are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 21,027
2022	21,027
2023	12,005
2024	<u>2,249</u>
Total	<u>\$ 56,308</u>

NOTE M: FUNCTIONAL EXPENSES

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

NOTE N: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

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

WHIN MUSIC COMMUNITY CHARTER SCHOOL

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

Board of Trustees
WHIN Music Community Charter School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WHIN Music Community Charter School, which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WHIN Music Community 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 WHIN Music Community Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of WHIN Music Community 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WHIN Music Community 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 28, 2020



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Charter School Name
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	New York City Department of Education
If located in NYC DOE select CSD:	NYCSD #6
School Fiscal Contact Name:	Charlie Ortiz
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Mengel Metzger Barr & Co. LLP
School Audit Contact Name:	Jackie Lee
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	Extension filed
Federal Single Audit (A-133)	The school did not expend federal funds in excess of the Single Audit Threshold
Corrective Action Plan	N/A

Charter School Name
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 383,352	\$ 483,369
Grants and contracts receivable	290,876	182,807
Accounts receivables	-	-
Prepaid Expenses	25,108	27,213
Contributions and other receivables	-	-
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>699,336</u>	<u>693,389</u>
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 506,341	\$ 244,178
Restricted Cash	75,130	50,079
Security Deposits	-	-
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	<u>581,471</u>	<u>294,257</u>
TOTAL ASSETS	<u>1,280,807</u>	<u>987,646</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 205,628	\$ 106,647
Accrued payroll, payroll taxes and benefits	73,342	208,702
Current Portion of Loan Payable	113,372	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	134,419	4,209
Other Current Liabilities	21,027	12,030
TOTAL CURRENT LIABILITIES	<u>547,788</u>	<u>331,588</u>
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 35,281	\$ 27,067
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	<u>35,281</u>	<u>27,067</u>
TOTAL LIABILITIES	<u>583,069</u>	<u>358,655</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 697,738	\$ 603,991
Temporarily restricted	-	25,000
Permanently restricted	-	-
TOTAL NET ASSETS	<u>697,738</u>	<u>628,991</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,280,807</u>	<u>987,646</u>

Charter School Name
Statement of Activities
as of June 30

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 3,049,065	\$ -	\$ 3,049,065	\$ 2,215,902
State and Local Per Pupil Revenue - SPED	571,469	-	571,469	300,150
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	121,221	-	121,221	410,522
State and City Grants	14,667	-	14,667	9,763
Other Operating Income	5,584	-	5,584	-
Food Service/Child Nutrition Program	-	-	-	-
TOTAL OPERATING REVENUE	3,762,006	-	3,762,006	2,936,337
EXPENSES				
Program Services				
Regular Education	\$ 1,860,426	\$ -	\$ 1,860,426	\$ 1,494,716
Special Education	988,353	-	988,353	777,358
Other Programs	-	-	-	-
Total Program Services	2,848,779	-	2,848,779	2,272,074
Management and general	835,499	-	835,499	608,800
Fundraising	86,600	-	86,600	15,029
TOTAL EXPENSES	3,770,878	-	3,770,878	2,895,903
SURPLUS / (DEFICIT) FROM OPERATIONS	(8,872)	-	(8,872)	40,434
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ 76	\$ -	\$ 76	\$ 3,696
Contributions and Grants	102,543	(25,000)	77,543	91,460
Fundraising Support	-	-	-	-
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUE	102,619	(25,000)	77,619	95,156
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	93,747	(25,000)	68,747	135,590
NET ASSETS - BEGINNING OF YEAR	\$ 603,991	\$ 25,000	\$ 628,991	\$ 493,406
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 697,738	\$ -	\$ 697,738	\$ 628,996

Charter School Name
Statement of Cash Flows

as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 68,747	\$ 135,585
Revenues from School Districts	-	-
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	98,785	69,841
Grants Receivable	(238,706)	(89,482)
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	2,105	(19,213)
Accounts Payable	94,772	(99,270)
Accrued Expenses	-	-
Accrued Liabilities	(941)	96,896
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	-	-
Interest payments	-	488
Other	25,000	100,000
Bad Debts	105,637	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 155,399	\$ 194,845
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(324,960)	(41,289)
Other	-	-
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (324,960)	\$ (41,289)
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	(18,777)	(39,023)
Other	113,372	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 94,595	\$ (39,023)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (74,966)	\$ 114,533
Cash at beginning of year	533,448	418,915
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 458,482	\$ 533,448

Charter School Name
Statement of Functional Expenses
as of June 30

	No. of Positions	2020							2019	
		Program Services				Supporting Services			Total	Total
		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total		
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$
Administrative Staff Personnel	11.00	359,149	55,254	-	414,403	50,000	344,805	394,805	809,208	634,050
Instructional Personnel	23.00	818,536	584,668	-	1,403,204	-	-	-	1,403,204	1,101,794
Non-Instructional Personnel	-	-	-	-	-	-	-	-	-	-
Total Salaries and Staff	34.00	1,177,685	639,922	-	1,817,607	50,000	344,805	394,805	2,212,412	1,735,844
Fringe Benefits & Payroll Taxes		286,061	155,438	-	441,499	12,145	83,753	95,898	537,397	403,529
Retirement		10,152	5,516	-	15,668	431	2,972	3,403	19,071	13,582
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	20,475	20,475	20,475	14,185
Accounting / Audit Services		-	-	-	-	-	205,244	205,244	205,244	188,064
Other Purchased / Professional / Consulting Services		46,362	42,092	-	88,454	16,968	13,574	30,542	118,996	119,000
Building and Land Rent / Lease		-	-	-	-	-	-	-	-	-
Repairs & Maintenance		6,894	3,746	-	10,640	293	2,018	2,311	12,951	425
Insurance		18,870	10,254	-	29,124	801	5,525	6,326	35,450	28,914
Utilities		-	-	-	-	-	-	-	-	-
Supplies / Materials		53,366	16,897	-	70,263	-	-	-	70,263	75,509
Equipment / Furnishings		5,472	2,973	-	8,445	232	1,602	1,834	10,279	2,642
Staff Development		39,576	21,504	-	61,080	1,680	11,587	13,267	74,347	52,995
Marketing / Recruitment		15,848	6,950	-	22,798	362	2,495	2,857	25,655	51,991
Technology		37,026	18,847	-	55,873	1,334	9,198	10,532	66,405	68,674
Food Service		-	-	-	-	-	-	-	-	-
Student Services		107,677	34,092	-	141,769	-	-	-	141,769	36,276
Office Expense		2,853	1,549	-	4,402	121	12,300	12,421	16,823	29,080
Depreciation		52,584	28,573	-	81,157	2,233	15,395	17,628	98,785	69,841
OTHER		-	-	-	-	-	104,556	104,556	104,556	5,352
Total Expenses		\$ 1,860,426	\$ 988,353	\$ -	\$ 2,848,779	\$ 86,600	\$ 835,499	\$ 922,099	\$ 3,770,878	\$ 2,895,903

WHIN Music Community Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

Assumptions

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.

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

		REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue		2,284,870	1,246,667	-	71,684	733,707	4,336,927	
Total Expenses		2,268,207	1,245,109	-	74,297	734,207	4,321,820	
Net Income		16,662	1,558	-	(2,613)	(500)	15,107	
Actual Student Enrollment		210	33				243	
Total Paid Student Enrollment		188	33				221	
		PROGRAM SERVICES			SUPPORT SERVICES			
		REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Aides	-	-	-	-	-	-	-	
Therapists & Counselors	1.00	43,656	7,663	-	-	-	51,319	Counselor - 1 FTE
Other	4.00	172,942	30,357	-	-	-	203,299	Music Teachers - 5 FTE, Instructional stipends
TOTAL INSTRUCTIONAL	28	1,029,243	777,136	-	-	-	1,806,379	
NON-INSTRUCTIONAL PERSONNEL COSTS								
Nurse	-	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	-	
Custodian	-	-	-	-	-	-	-	
Security	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
TOTAL NON-INSTRUCTIONAL	-	-	-	-	-	-	-	
SUBTOTAL PERSONNEL SERVICE COSTS	39	1,394,724	833,364	-	50,000	373,570	2,651,657	
PAYROLL TAXES AND BENEFITS								
Payroll Taxes		122,844	73,400	-	4,404	32,903	233,551	
Fringe / Employee Benefits		247,632	147,963	-	8,877	66,327	470,800	SS, Med, SUI, NYSD, Workers Comp, Health, Dental, Vision
Retirement / Pension		11,158	6,667	-	400	2,989	21,213	401k Match
TOTAL PAYROLL TAXES AND BENEFITS		381,634	228,031	-	13,681	102,219	725,564	
TOTAL PERSONNEL SERVICE COSTS		1,776,357	1,061,394	-	63,681	475,788	3,377,221	
CONTRACTED SERVICES								
Accounting / Audit		-	-	-	-	24,000	24,000	Audit fees
Legal		-	-	-	-	20,000	20,000	Legal - Paid
Management Company Fee		-	-	-	-	147,980	147,980	Financial Consulting Fees
Nurse Services		-	-	-	-	-	-	
Food Service / School Lunch		-	-	-	-	-	-	
Payroll Services		25,247	15,085	-	905	6,762	48,000	Payroll Fees
Special Ed Services		-	20,000	-	-	-	20,000	SpED Services
Titlement Services (i.e. Title I)		-	-	-	-	-	-	
Other Purchased / Professional / Consulting		13,083	4,227	-	164	1,226	18,700	Professional Services
TOTAL CONTRACTED SERVICES		38,330	39,313	-	1,069	199,968	278,680	
SCHOOL OPERATIONS								
Board Expenses		-	-	-	-	1,000	1,000	Board Expenses
Classroom / Teaching Supplies & Materials		52,288	9,178	-	-	-	61,466	Classroom and Teaching Supplies
Special Ed Supplies & Materials		-	-	-	-	-	-	
Textbooks / Workbooks		25,392	4,457	-	-	-	29,849	Textbooks and Workbooks, Classroom Library
Supplies & Materials other		16,354	2,871	-	-	-	19,225	Curriculum Software
Equipment / Furniture		2,630	1,571	-	94	704	5,000	
Telephone		16,582	9,908	-	594	4,441	31,526	Telephone and Internet
Technology		29,242	14,284	-	777	5,808	50,111	Software, Tech Supplies
Student Testing & Assessment		8,320	1,460	-	-	-	9,780	Testing and Assessment
Field Trips		2,552	448	-	-	-	3,000	Field Trips
Transportation (student)		-	-	-	-	-	-	
Student Services - other		175,240	30,760	-	-	-	206,000	Student Incentives/Events, Enrichment, Uniforms, Afterschool
Office Expense		1,709	511	-	61	15,457	17,739	Supplies, Postage, Printing/Copying, Staff Events
Staff Development		39,006	23,307	-	1,398	10,448	74,159	Professional Development
Staff Recruitment		5,786	3,457	-	207	1,550	11,000	Recruitment, Tuition
Student Recruitment / Marketing		11,059	1,941	-	-	-	13,000	Recruitment, Marketing
School Meals / Lunch		-	-	-	-	-	-	
Travel (Staff)		263	157	-	9	70	500	Staff Travel
Fundraising		-	-	-	4,000	-	4,000	
Other		-	-	-	-	1,000	1,000	Bank Fees, Interest
TOTAL SCHOOL OPERATIONS		386,423	104,310	-	7,141	40,479	538,353	

WHIN Music Community 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	2,284,870	1,246,667	-	71,684	733,707	4,336,927
Total Expenses	2,268,207	1,245,109	-	74,297	734,207	4,321,820
Net Income	16,662	1,558	-	(2,613)	(500)	15,107
Actual Student Enrollment	210	33				243
Total Paid Student Enrollment	188	33				221

PROGRAM SERVICES

SUPPORT SERVICES

REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
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FACILITY OPERATION & MAINTENANCE

Insurance	17,103	10,219	-	613	4,581	32,516	General Liability
Janitorial	-	-	-	-	-	-	
Building and Land Rent / Lease	-	-	-	-	-	-	
Repairs & Maintenance	2,630	1,571	-	94	704	5,000	Repairs and Maintenance
Equipment / Furniture	-	-	-	-	-	-	Non-capitalized furniture
Security	-	-	-	-	-	-	
Utilities	-	-	-	-	-	-	

TOTAL FACILITY OPERATION & MAINTENANCE

19,733	11,791	-	707	5,285	37,516
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DEPRECIATION & AMORTIZATION

47,365	28,301	-	1,698	12,686	90,050
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DISSOLUTION ESCROW & RESERVES / CONTIGENCY

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TOTAL EXPENSES

2,268,207	1,245,109	-	74,297	734,207	4,321,820
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NET INCOME

16,662	1,558	-	(2,613)	(500)	15,107
--------	-------	---	---------	-------	--------

ENROLLMENT - *School Districts Are Linked To Above Entries*

	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED
District of Location	208	33	241
Mount Vernon	2		2
School District 3 (Enter Name)			-
School District 4 (Enter Name)			-
School District 5 (Enter Name)			-
TOTAL ENROLLMENT	210	33	243
REVENUE PER PUPIL	10,880	37,778	-
EXPENSES PER PUPIL	10,801	37,731	-

-196,258

Statement Period	Account Number
06/01/19 - 06/30/19	[REDACTED]



267 114968 **AUTO5-DIGIT 10032 R P2 T2
WHIN MUSIC COMMUNITY CHARTER SCHOOL
CHARLES ORTIZ
GREGORY DAVID
401 WEST 164TH STREET 4TH FLOOR
NEW YORK NY 10032

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STATEMENT SUMMARY

Deposit Accounts			Total Balance: \$50,079.11		
Account Type	Previous Balance	Deposits	Withdrawals	New Balance	
REGULAR BUSINESS SHARE (00)	54.06	0.00	0.45	53.61	
SECONDARY SHARE BUSINESS (51)	50,021.39	4.11	0.00	50,025.50	
Loan Accounts			Total Balance: \$0.00		
Account Type	Previous Balance	Advances	Payments	New Balance	
*WORKING CAPITAL (22)	.00	0.00	0.00	.00	

REGULAR BUSINESS SHARE (00) Ending Balance: \$53.61

ACCOUNT OWNERS/SIGNERS: WHIN MUSIC COMMUNITY CHARTER SCHOOL,
CHARLES ORTIZ, GREGORY DAVID

Date	Memo	Description	Deposits	Withdrawals	Balance
06/01		PREVIOUS BALANCE			54.06
06/30		STATEMENT FEE		.45	53.61
06/30		NEW BALANCE			53.61
WITHDRAWALS AND OTHER DEBITS					
Date	Amount	Date	Amount	Date	Amount
06/30	.45				
YTD DIVIDENDS EARNED .00					
ANNUAL PERCENTAGE YIELD EARNED FROM 06/01/19 THROUGH 06/30/19 IS 00.00% BASED UPON AN AVERAGE BALANCE OF 54.05 AND TOTAL DIVIDENDS EARNED OF 0.00					

SECONDARY SHARE BUSINESS (51) Ending Balance: \$50,025.50

ACCOUNT OWNERS/SIGNERS: WHIN MUSIC COMMUNITY CHARTER SCHOOL,
CHARLES ORTIZ, GREGORY DAVID

Date	Memo	Description	Deposits	Withdrawals	Balance
06/01		PREVIOUS BALANCE			50,021.39
06/30		DIVIDEND	4.11		50,025.50
06/30		NEW BALANCE			50,025.50



Statement Period	Account Number
06/01/19 - 06/30/19	[REDACTED]

SECONDARY SHARE BUSINESS (51) continued

DEPOSITS AND OTHER CREDITS							
Date	Amount	Date	Amount	Date	Amount	Date	Amount
06/30	4.11						
YTD DIVIDENDS EARNED 24.81							
ANNUAL PERCENTAGE YIELD EARNED FROM 06/01/19 THROUGH 06/30/19 IS 00.10% BASED UPON AN AVERAGE BALANCE OF 50021.39 AND TOTAL DIVIDENDS EARNED OF 4.11							

***WORKING CAPITAL (22) Ending Balance: \$.00**

DLY PERIODIC RATE .026712% **ANNUAL PERCENTAGE RATE 9.7500%** FROM 06/01 TO 06/30				
LINE OF CREDIT \$	75,000.00	AVAILABLE LINE OF CREDIT \$	75,000.00	
Date	Description	Advances	Principal Payments	Balance
06/01	PREVIOUS BALANCE			.00
06/30	NEW BALANCE			.00
YTD INTEREST PAID .00				
FEES CHARGED				
Date	Description	Account		Amount
	TOTAL FEES FOR THIS PERIOD			.00
INTEREST CHARGED				
Date	Description	Account		Amount
	TOTAL INTEREST FOR THIS PERIOD			.00
TOTALS YEAR-TO-DATE				
	TOTAL FEES CHARGED IN 2019			.00
	TOTAL INTEREST CHARGED IN 2019			.00

YEAR TO DATE TAX REPORTING SUMMARY BY TAX REPORTING EIN

REPORTING EIN	DIVIDENDS EARNED	DIVIDENDS WITHHELD	CERTIFICATE PENALTY	MORTGAGE INTEREST	NON-MORTGAGE INTEREST
[REDACTED]	24.81	0.00	0.00	0.00	0.00

