

**YOUNG WOMEN'S COLLEGE PRUDENTIAL
CHARTER SCHOOL OF ROCHSTER**

**Financial Statements as of
June 30, 2020
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 27, 2020

to the Board of Trustees of
Young Women's College Prep Charter School of Rochester:

Report on the Financial Statements

We have audited the accompanying financial statements of Young Women's College Prep Charter School of Rochester (the School), a New York not-for-profit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and change 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Women's College Prep Charter School of Rochester 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 the School's 2019 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated October 17, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Bonadio & Co., LLP

YOUNG WOMEN'S COLLEGE PREP CHARTER SCHOOL OF FROCHESTER

STATEMENT OF FINANCIAL POSITION JUNE 30, 2020

(With Summarized Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,949,786	\$ 1,789,684
Accounts receivable	16,561	38,972
Grants receivable	236,330	197,356
Prepaid expenses and other assets	<u>135,015</u>	<u>122,288</u>
Total current assets	2,337,692	2,148,300
DESIGNATED CASH	100,000	75,000
PROPERTY AND EQUIPMENT, net	<u>247,494</u>	<u>236,355</u>
	<u>\$ 2,685,186</u>	<u>\$ 2,459,655</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 29,406	\$ 54,532
Due to school districts	48,541	100,159
Accrued expenses	536,282	566,190
Deferred revenue	<u>24,880</u>	<u>9,103</u>
Total current liabilities	639,109	729,984
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,046,077</u>	<u>1,729,671</u>
	<u>\$ 2,685,186</u>	<u>\$ 2,459,655</u>

The accompanying notes are an integral part of these statements.

YOUNG WOMEN'S COLLEGE PREP CHARTER SCHOOL OF ROCKY HILL

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020
(With Summarized Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
REVENUE AND SUPPORT:		
Public school district	\$ 5,573,738	\$ 5,175,125
Federal and state grants	460,014	575,662
Other grants	7,723	5,634
Other	<u>6,080</u>	<u>8,652</u>
Total revenue and support	<u>6,047,555</u>	<u>5,765,073</u>
EXPENSES:		
Program -		
Regular education	4,950,330	5,119,123
Special education	<u>255,196</u>	<u>183,649</u>
Total program expenses	5,205,526	5,302,772
Management and general	<u>525,623</u>	<u>473,284</u>
Total expenses	<u>5,731,149</u>	<u>5,776,056</u>
CHANGE IN NET ASSETS	316,406	(10,983)
NET ASSETS - beginning of year	<u>1,729,671</u>	<u>1,740,654</u>
NET ASSETS - end of year	<u>\$ 2,046,077</u>	<u>\$ 1,729,671</u>

The accompanying notes are an integral part of these statements.

YOUNG WOMEN'S COLLEGE PREPARATION CHARTER SCHOOL OF ROCHSTER

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR END JUNE 30, 2020
 (With Summarized Comparative Totals for 2019)

	Program Service			Supporting Services			Total
	Regular Education	Special Education	Other	Total	Management and General	Fundraising	
Personnel services costs:							
Administrative staff personnel	\$ 12,506	\$ -	\$ -	\$ 12,506	\$ 75,957	\$ -	\$ 88,463
Instructional personnel	,063,632	99,694	-	2,263,326	-	-	2,263,326
Non-instructional personnel	231,981	-	-	231,981	-	-	231,981
Total personnel services cost	,808,119	99,694	-	3,007,813	75,957	-	,383,770
Fringe benefits and payroll tax							
Retirement	17,091	3,871	-	60,962	2,612	-	43,574
Accounting/audit service	22,323	,115	-	31,438	,841	-	40,279
Other purchased/professional/consulting service	14,912	-	-	14,912	3,510	-	3,510
Building and land rent/lease	85,561	-	-	85,561	3,420	-	28,332
Repairs and maintenance	46	-	-	46	,909	-	95,470
Insurance	48,568	,516	-	1,084	9,648	-	46
Utilities	89,402	-	-	9,402	,686	-	0,732
Supplies/material	8,315	-	-	8,315	-	-	1,088
Equipment/furnishing	,572	-	-	,572	-	-	48,315
Staff development	,799	-	-	,799	-	-	,572
Marketing/recruitment	9,112	-	-	9,112	-	-	,799
Technology	3,011	-	-	3,011	-	-	14,226
Food service	79,169	-	-	79,169	-	-	19,112
Student service	43,712	-	-	43,712	-	-	28,416
Office expenses	1,480	-	-	1,480	-	-	23,011
Depreciation	5,009	-	-	5,009	-	-	179,169
Other	15,029	-	-	15,029	40	-	40
Total	\$ 4,950,330	\$ 255,196	\$ -	\$ 5,205,526	\$ 525,623	\$ -	\$ 5,731,149
							h 5,776,056

The accompanying notes are an integral part of these statements.

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ST TEMENT OF C SH FLOWSP

FOR THE YE RE DED JU E 30, 2020 P

(With Summarized Comparative Totals for 2019) P

	<u>2020 P</u>	<u>2019 P</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Accounts receivable	\$ 5,611,926	\$ 5,181,068
Grant revenue	428,763	560,845
Miscellaneous sources	6,080	8,652
Payments to vendors for goods and services rendered	(2,330,467)	(2,349,274)
Payments to charter school personnel for services rendered	<u>(3,445,052)</u>	<u>(3,219,047)</u> P
Net cash flow from operating activities	<u>271,250</u>	<u>182,244</u>
CASH FLOW FROM INVESTING ACTIVITIES: P		
Purchases of property and equipment	<u>(86,148)</u>	<u>(193,326)</u>
Net cash flow from investing activities	<u>(86,148)</u>	<u>(193,326)</u>
CHANGE IN CASH AND DESIGNATED CASH	185,102	(11,082) P
CASH AND DESIGNATED CASH - beginning of year P	<u>1,864,684</u>	<u>1,875,766</u>
CASH AND DESIGNATED CASH - end of year	<u>\$ 2,049,786</u>	<u>\$ 1,864,684</u> P
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOW FROM OPERATING ACTIVITIES: P		
Change in net assets	\$ 316,406	\$ (10,983) P
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	75,009	47,496
Loss on disposal of property and equipment, net	-	680
Changes in:		
Accounts receivable	22,411	11,577
Due to school districts	(51,618)	100,159
Grants receivable	(38,974)	(20,451)
repaid expenses and other assets	(12,727)	(6,028)
Accounts payable	(25,126)	(8,262)
Accrued expenses	(29,908)	73,690
Deferred revenue	<u>15,777</u>	<u>(5,634)</u> P
Net cash flow from operating activities	<u>\$ 271,250</u>	<u>\$ 182,244</u>

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

YOUNG WOMEN'S COLLEGE PREP CHARTER SCHOOL OF ROCHESTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. THE ORGANIZATION

Young Women's College Prep Charter School of Rochester (the School) is an independent public school established under the provisions of the New York State Charter School Act of 1998, codified as Article 56 of the Education Law. The School is affiliated with the Young Women's Leadership Network (YWLN), which supports five highly successful single-gender secondary schools in New York City and others across the United States. The School benefits from the structured and targeted support that YWLN provides for its network schools and affiliates that can be measured in college acceptance and graduation.

The School's mission is to provide students in Rochester, New York with a safe, supportive, and intellectually engaging educational environment. The central philosophy of the School is that strong student-teacher relationships are essential to student motivation and achievement. The School is designed to strengthen these bonds and assist students in overcoming the demographic destiny of poverty and exceed state achievement standards.

The School began operations in September 2011 and provides educational instruction to students in seventh grade through twelfth grade. In May 2019, the School received a renewal of its charter through July 2022.

Young Women's College Prep, Inc. (the Foundation) is an unrelated not-for-profit corporation formed to provide a bridge between the Rochester community and the School. In addition to providing the School with financial support for identified and targeted initiatives, the Foundation provides selective student programming and mentoring to enhance the students' experiences at the School.

MMA2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The objective of this standard was to provide a more robust framework on accounting for various types of assistance received and to clarify how contributions will be treated based on barriers that may have to be overcome by the School to be entitled to the assets as well as consideration of the right of return. The effects of this ASU have been included in these financial statements. The School adopted ASU 2018-08 on July 1, 2019, using a modified prospective application. There was no effect on total net assets or changes in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principles (Continued)

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash*. This standard requires entities to include restricted cash and equivalents with cash and cash equivalents when reconciling the beginning and end of year total amounts presented in the statement of cash flows. The School adopted ASU 2016-18 as of July 1, 2019, using a retrospective application. As a result of adopting this, the beginning and end of year cash and designated cash increased by \$75,000 for the year ended June 30, 2019.

Financial Reporting

Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations. At June 30, 2020 and 2019, all of the School's net assets were without donor restrictions.

Revenue Recognition

The School records public school district revenue on a per student basis at rates established by New York State (the State) for the school district in which the student resides. Final determination of the revenue earned by the School is subject to review by the Rochester City School District. Provision is made in the financial statements for anticipated adjustments that may result from such reviews. Differences between amounts provided and final settlements are included in the statements of activities and change in net assets in the year of settlement.

Cash

The School's cash is maintained in bank demand deposit accounts. The balances in these accounts may, at times, exceed federally insured limits. The School has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

Designated Cash

In accordance with New York State Department of Education (NYSED) regulations, the School is required to maintain funds to pay for expenses associated with the potential termination of the School or non-renewal of the School's charter. The School had designated funds totaling \$100,000 and \$75,000 at June 30, 2020 and 2019, respectively, to satisfy this requirement.

Cash and Designated Cash

The following is a summary of cash and designated cash reported in the statement of financial position that sum to the total amounts shown in the statement of cash flows at June 30:

	<u>2020</u>		<u>2019</u>
Cash	1,949,786	\$	1,789,684
Designated cash	<u>100,000</u>	g	<u>75,000</u>
	<u>\$ 2,049,786</u>	\$	<u>1,864,684</u>

Grants Receivable and Revenue

Grant revenue is recognized as the related costs are incurred, or when evidence of a non-conditional grant has been received. Grants subject to conditions are not recorded as income until those conditions have been met. Amounts received in advance of incurring the related costs are reported as deferred revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant Receivable and Revenue (Continued)

The School records an allowance for uncollectible accounts based on historical collection experience and a review of specific amounts outstanding. Accounts are written off against the allowance when uncollectibility becomes known. At June 30, 2020 and 2019, it was determined that an allowance for uncollectible amounts was not necessary.

Property and Equipment

Property and equipment is stated at cost or fair value at the date of donation. It is the School's policy to capitalize all additions greater than \$1,000 with a useful life in excess of three years. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from three to ten years.

Program Services

Regular education expenses include costs incurred in connection with the educational activities of the School. Other program expenses include costs incurred in connection with other than instructional activities provided to students, i.e., community services, health services, food services, athletic services, music, and other student activities.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Those expenses include personnel service costs, fringe benefits and payroll taxes, retirement, other purchased/professional/consulting, building and land rent/lease, insurance, utilities and other expenses. Personnel service costs and retirement are directly charged based on position. Fringe benefits and payroll taxes are prorated based on the percentage of personnel services costs that are allocated to each function. Other purchased/professional/consulting, building and land rent/lease, insurance, utilities and other expenses are directly charged whenever possible and appropriate and otherwise are allocated based on square footage.

Donated Services

Volunteers have donated significant amounts of time in support of the School's activities. However, the value of these services is not reflected in the accompanying financial statements, as they do not meet the criteria for recognition as set forth under generally accepted accounting principles.

Income Taxes

The School is exempt from income taxes as a corporation qualified under Section 501(c)(3) of the Internal Revenue Code. The School has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Comparative Information

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

Estimates

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

3. LIQUIDITY

At June 30, the School had financial assets available to meet cash needs for general expenditures in the subsequent year of:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,949,786	\$ 1,789,684
Accounts receivable	16,561	38,972
Grants receivable	<u>236,330</u>	<u>197,356</u>
	<u>\$ 2,202,677</u>	<u>\$ 2,026,012</u>

The School is substantially supported by student enrollment and federal and state grants that are without contractual or donor restrictions. As part of the School's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The School maintains sufficient cash that is readily available for general expenditures. Additionally, the School's ability to meet its cash needs is further dependent, in part, on timely collection of its accounts receivable and grants receivable. The School's accounts receivable and grants receivable are due primarily from government funders, such as New York State and various New York State central school districts. The School employs procedures specifically designed to collect from these payers as quickly as possible.

4. CONCERNATIONS

The School's primary source of funding is obtained from the NYSED and is reported as public school district revenue in the accompanying statements of activities and change in net assets. This funding is received on a per pupil basis and was approximately 92% and 90% of the School's total revenue and support during the years ended June 30, 2020 and 2019, respectively.

5. PROPER AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 475,207	\$ 438,847
Property and leasehold improvements	<u>202,042</u>	<u>152,254</u>
	677,249	591,101
Less: Accumulated depreciation	<u>(429,755)</u>	<u>(354,746)</u>
	<u>\$ 247,494</u>	<u>\$ 236,355</u>

Depreciation expense was \$75,009 and \$47,496 for the years ended June 30, 2020 and 2019, respectively.

6. COMMITMENTS

The School has a lease agreement for its current school location through June 2, 2021. Under the terms of the agreement, the School's base rent was \$7.56 per square foot through June 2, 2019, \$7.81 per square foot through June 2, 2020, and will be \$8.00 per square foot through June 3, 2021.

Future minimum payments under the terms of this agreement for the year ending June 3, 2021 are \$57,368.

Rent expense recognized under the terms of these agreements was \$49,547 and \$479,460 for the years ended June 3, 2020 and 2019, respectively.

7. RETIREMENT PLANS

403(b) Retirement Plan

The School sponsors a tax-sheltered annuity 403(b) retirement plan (the Plan) for all salaried employees. These employees are eligible to participate in the Plan upon hiring and are vested in the School's contributions upon continuation of service after the completion of one year. The School did not make any contributions to the Plan during the years ended June 3, 2020 and 2019.

New York State Teachers' Retirement System

The School participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability. TRS is administered by the New York State Teachers' Retirement Board and provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and requirement supplementary information for the System.

TRS requires employee contributions of 3% of their annual salary for the first 10 years of service for those employees who joined the plan between July 1976 and December 2009. Participants hired between January 1, 2011 and March 31, 2012 are required to contribute 3.5% of their annual salary, and participants hired after April 1, 2012 are required to contribute between 3% and 6% of the annual salary, depending on their reportable salary. Participants hired after January 1, 2011 are required to contribute throughout the active membership in TRS. No employee contribution is required for those hired prior to July 1976. Pursuant to Article 11 of the Education Law, an actuarially determined contribution rate is established annually by the New York State Teachers' Retirement Board. The rate for the years ended June 3, 2020 and 2019 was 8.86% and 11.62% of the annual covered payroll, respectively. The School's required contribution was \$24,279 and \$275,49 for the years ended June 3, 2020 and 2019, respectively.

During the year ended June 3, 2019 and in prior years, Governmental Accounting Standards Board (GASB) guidance was applied to the School's accounting related to its participation in TRS. Based on information derived from TRS reporting, the School's net pension asset or liability was calculated as of the School's preceding fiscal year-end. As a result, a qualified opinion was rendered in relation thereto.

8. SUBSEQUENT EVENTS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19), the effects of which substantially began in March 2020. The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the School and its future results and financial position is not presently determinable.

Subsequent events have been evaluated through October 27, 2020, which is the date the financial statements were available to be issued.

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

October 27, 2020

To the Board of Trustees of
Young Women's College Prep Charter School of Rochester:

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 Young Women's College Prep Charter School of Rochester (the School) (a New York not-for-profit corporation) which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and have issued our report thereon dated October 27, 2020.

Internal Control Over Financial Reporting

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

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

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

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**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***

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bonadio & Co., LLP

**YOUNG WOMEN'S COLLEGE
CHARTER SCHOOL OF ROchester**

**Communication of Matters Related to Internal Control
Over Financial Reporting and Other Matters
October 2020**

October 2020

To the Board of Trustees of
Young Women's College Prep Charter School of Rochester:

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of the Board of Trustees and management of Young Women's College Prep Charter School of Rochester and is not intended to be and should not be used by anyone other than these specified parties.

Bonadio & Co., LLP

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COMMUNICATION OF RESULTS RELATED TO INTERNAL CONTROL
OVER FINANCIAL REPORTING AND OTHER RESULTS
OCTOBER 2020

INTERNAL CONTROL DEFICIENCIES

We have identified the following control deficiency that we consider to be neither a significant deficiency nor material weakness:

1. PUBLIC SCHOOL REVIEWER CONCILIATIONS

Observation

As part of our revenue testing, we identified multiple errors in the full time equivalent (FTE) reconciliations that detail student attendance at the School which is used in the processing of billing school districts. These differences were immaterial to the financial statements and did not result in an audit adjustment.

Recommendation

We recommend that the School review and revise the current revenue reconciliation policies and procedures and incorporate a formal review and approval process. The review should be completed by someone other than the preparer and should be documented.

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Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Young Women's College Prep Charter School of Rochester
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Greece Central School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Roberta McInnis
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	The Bonadio Group
School Audit Contact Name:	Melissa Slater
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	
Management Letter Response	
Form 990	The Form 990 is currently being finalized by the School Audit Firm. It will be approved and submitted by November 15, 2020.
Federal Single Audit (A-133)	School did not expend federal funds in excess of the threshold.
Corrective Action Plan	N/A

Young Women's College Prep Charter School of Rochester
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,949,786	\$ 1,789,684
Grants and contracts receivable	236,330	197,356
Accounts receivables	16,561	38,972
Prepaid Expenses	135,015	122,288
Contributions and other receivables	-	-
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>2,337,692</u>	<u>2,148,300</u>
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 247,494	\$ 236,355
Restricted Cash	100,000	75,000
Security Deposits	-	-
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	<u>347,494</u>	<u>311,355</u>
TOTAL ASSETS	<u><u>2,685,186</u></u>	<u><u>2,459,655</u></u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 29,406	\$ 54,532
Accrued payroll, payroll taxes and benefits	584,823	666,349
Current Portion of Loan Payable	-	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	24,880	9,103
Other Current Liabilities	-	-
TOTAL CURRENT LIABILITIES	<u>639,109</u>	<u>729,984</u>
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ -	\$ -
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>639,109</u>	<u>729,984</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 2,046,077	\$ 1,729,671
Temporarily restricted	-	-
Permanently restricted	-	-
TOTAL NET ASSETS	<u>2,046,077</u>	<u>1,729,671</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>2,685,186</u></u>	<u><u>2,459,655</u></u>

Young Women's College Prep Charter School of Rochester
Statement of Activities
as of June 30

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 5,244,650	\$ -	\$ 5,244,650	\$ 4,994,686
State and Local Per Pupil Revenue - SPED	329,088	-	329,088	277,446
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	284,738	-	284,738	223,218
State and City Grants	-	-	-	-
Other Operating Income	14,720	-	14,720	17,292
Food Service/Child Nutrition Program	166,636	-	166,636	246,797
TOTAL OPERATING REVENUE	6,039,832	-	6,039,832	5,759,439
EXPENSES				
Program Services				
Regular Education	\$ 4,950,330	\$ -	\$ 4,950,330	\$ 5,119,123
Special Education	255,196	-	255,196	183,649
Other Programs	-	-	-	-
Total Program Services	5,205,526	-	5,205,526	5,302,772
Management and general	525,623	-	525,623	473,284
Fundraising	-	-	-	-
TOTAL EXPENSES	5,731,149	-	5,731,149	5,776,056
SURPLUS / (DEFICIT) FROM OPERATIONS	308,683	-	308,683	(16,617)
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ -	\$ -	\$ -	\$ -
Contributions and Grants	7,723	-	7,723	5,634
Fundraising Support	-	-	-	-
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUE	7,723	-	7,723	5,634
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	316,406	-	316,406	(10,983)
NET ASSETS - BEGINNING OF YEAR	\$ 1,729,671	\$ -	\$ 1,729,671	\$ 1,740,654
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 2,046,077	\$ -	\$ 2,046,077	\$ 1,729,671

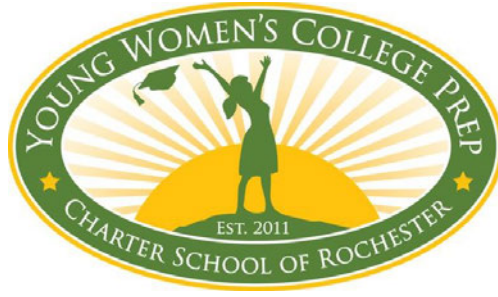
Young Women's College Prep Charter School of Rochester
Statement of Cash Flows

as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ -	\$ -
Revenues from School Districts	5,611,926	5,181,068
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	-	-
Grants Receivable	-	-
Due from NYS	-	-
Grant revenues	428,763	560,845
Prepaid Expenses	-	-
Accounts Payable	-	-
Accrued Expenses	-	-
Accrued Liabilities	-	-
Contributions and fund-raising activities	-	-
Miscellaneous sources	6,080	8,652
Deferred Revenue	-	-
Interest payments	-	-
Payments to vendors for goods and services rendered	(2,330,467)	(2,349,274)
Payments to charter school personnel for services rendered	(3,445,052)	(3,219,047)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 271,250	\$ 182,244
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(86,148)	(193,326)
Other	-	-
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (86,148)	\$ (193,326)
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	-	-
Other	-	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ -	\$ -
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 185,102	\$ (11,082)
Cash at beginning of year	1,864,684	1,875,766
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,049,786	\$ 1,864,684

Young Women's College Prep Charter School of Rochester
Statement of Functional Expenses
as of June 30

		2020							2019	
No. of Positions	Program Services				Supporting Services			Total	Total	
	Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total			
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	
Administrative Staff Personnel	6.00	512,506	-	-	512,506	-	375,957	375,957	888,463	866,057
Instructional Personnel	31.00	2,063,632	199,694	-	2,263,326	-	-	-	2,263,326	2,157,721
Non-Instructional Personnel	17.00	231,981	-	-	231,981	-	-	-	231,981	234,464
Total Salaries and Staff	54.00	2,808,119	199,694	-	3,007,813	-	375,957	375,957	3,383,770	3,258,242
Fringe Benefits & Payroll Taxes		617,091	43,871	-	660,962	-	82,612	82,612	743,574	711,455
Retirement		222,323	9,115	-	231,438	-	8,841	8,841	240,279	275,049
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	-	-	-	-
Accounting / Audit Services		-	-	-	-	-	13,510	13,510	13,510	12,120
Other Purchased / Professional / Consulting Services		114,912	-	-	114,912	-	13,420	13,420	128,332	187,649
Building and Land Rent / Lease		485,561	-	-	485,561	-	9,909	9,909	495,470	479,460
Repairs & Maintenance		146	-	-	146	-	-	-	146	942
Insurance		48,568	2,516	-	51,084	-	19,648	19,648	70,732	55,998
Utilities		89,402	-	-	89,402	-	1,686	1,686	91,088	104,520
Supplies / Materials		48,315	-	-	48,315	-	-	-	48,315	92,100
Equipment / Furnishings		3,572	-	-	3,572	-	-	-	3,572	6,607
Staff Development		5,799	-	-	5,799	-	-	-	5,799	14,226
Marketing / Recruitment		19,112	-	-	19,112	-	-	-	19,112	28,416
Technology		23,011	-	-	23,011	-	-	-	23,011	7,518
Food Service		179,169	-	-	179,169	-	-	-	179,169	253,002
Student Services		143,712	-	-	143,712	-	-	-	143,712	170,279
Office Expense		51,480	-	-	51,480	-	-	-	51,480	57,696
Depreciation		75,009	-	-	75,009	-	-	-	75,009	47,496
OTHER		15,029	-	-	15,029	-	40	40	15,069	13,281
Total Expenses		\$ 4,950,330	\$ 255,196	\$ -	\$ 5,205,526	\$ -	\$ 525,623	\$ 525,623	\$ 5,731,149	\$ 5,776,056



School Response to Management Letter

The Young Women's College Prep Charter School of Rochester will implement a formal review and approval process on all FTE reconciliations completed for school district billing. The Director of Operations will review and approve the bimonthly and final FTE reconciliations, recalculating all partial FTE's using the NYSED State Aid FTE Calculator. This will ensure partial FTE's are calculated correctly before the school district invoice is generated. This review and approval process will be documented and will begin immediately, with the next bimonthly reconciliation prepared by the School.

Young Women's College Prep Charter School of Rochester

	FY21 Approved Budget
Income	
State Funding	
Rochester City School District	5,478,202
IDEA	256,360
Total State Funding	5,734,562
Federal Funding	
Title I	209,873
Title IIA	27,156
Title IV	13,412
Food Service	250,000
Total Federal Funding	500,441
Local and Other	
Erate Reimbursement	8,000
Other Income	30,880
Total Local and Other	38,880
Total Income	6,273,883
Expense	
Contracted Services	
Accounting/Audit	16,000
Legal	5,000
Payroll Services	12,000
Tutor	4,000
Other Purchased Consulting/Pro	15,000
Retirement plan administration	2,000
Parent Engagement	1,000
Security	50,000
Total Contracted Services	105,000
Facility Operation & Maint.	
Building Rent/Lease	475,658
Repairs & Maintenance	1,000
Equipment/Furniture	5,000
Utilities	110,000
Custodial Service	70,000
Permits	400
Total Insurances	71,000

Total Facility Operation & Maint. 733,058

Personnel Service

Administrative Staff Personnel

Program Services:

Instructional Management	354,651
Directors & Coordinators	182,234

Total Program Services Admin. Staff 536,885

Management & General:

Director of Operation	100,805
Business Office Manager	105,674
Administrative Staff Personnel - Other	177,643

Total Management & General Admin. Staff 384,122

Total Administrative Staff Personnel 921,007

Instructional Personnel

Substitutes - Per Diem	40,000
Building Substitute	45,901
Teachers - Regular	1,829,599
Teachers - SPED	221,984
Therapists & Counselors	221,490
Extended Day	2,500

Total Instructional Personnel 2,361,474

Non-Instructional Personnel

Nurse	48,230
Coaching	50,750
Non-Instructional - Other	74,825
Food Service	40,000
Student Support	129,748

Total Non-Instructional Personnel 343,553

Payroll Taxes and Benefits

Fringe/Employee Benefits

Medical Insurance	486,262
Dental Insurance	29,540
Long term disability	10,000
Short term disability	18,500
Retirement	278,288
Other Benefits	15,000

Total Fringe/Employee Benefits 837,590

Payroll Taxes

Payroll Taxes - Other	323,643
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Total Payroll Taxes 323,643

Total Payroll Taxes and Benefits 1,161,233

Total Personnel Service 4,787,267

School Operations

Classroom/Teaching Supplies	20,000
PE Supplies and Equipment	2,000
Extra Curricular Activities	15,000
Interscholastic Sports	35,000
Instructional Prog & Software	60,000
Instructional Hardware	2,000
Instructional Equipment	5,000
Field Trips	18,000
Office Expense	42,000
Graduation	5,000
Postage	6,000
Staff Development	5,000
Staff Recruitment	5,000
Student Recruitment/Marketing	15,000
Student Services (other)	2,000
Student Testing, Assess. & Data	25,000
Supplies & Materials other	20,000
Summer school	10,000
Textbooks	1,000
Tech. Licenses	12,000
Telephone	7,500
Transportation	50,000
Travel (Staff)	2,000
Uniforms	500
Farash - Professional Development	21,000
School Meals	260,000
Food Service Supplies	200

Total School Operations 646,200

Other Expense

Administrative Fee	40
Miscellaneous	1,000
Membership & Dues	7,000

Total Other Expense 8,040

Depreciation & Amoritzation 87,000

Total Expense 6,366,565

Ordinary Income (Loss) (92,682)



FOR INQUIRIES CALL: HENRIETTA
(585) 427-2906



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YOUNG WOMEN'S COLLEGE PREP CHARTER
SCHOOL OF ROCHESTER
ESCROW ACCOUNT
133 HOOVER DR
ROCHESTER NY 14615

ACCOUNT TYPE	
M&T ADVANCED BUSINESS CHECKING	
ACCOUNT NUMBER	STATEMENT PERIOD
[REDACTED]	06/01/20 - 06/30/20
BEGINNING BALANCE	\$100,000.00
DEPOSITS & CREDITS	0.00
LESS CHECKS & DEBITS	0.00
LESS SERVICE CHARGES	0.00
ENDING BALANCE	\$100,000.00

ACCOUNT ACTIVITY

POSTING DATE	TRANSACTION DESCRIPTION	DEPOSITS & OTHER CREDITS (+)	WITHDRAWALS & OTHER DEBITS (-)	DAILY BALANCE
06/01/2020	BEGINNING BALANCE			\$100,000.00
	NUMBER OF DEPOSITS/CHECKS PAID	0	0	

AS OF JULY 1, 2020, FUNDS FROM CHECK DEPOSITS IN EXCESS OF \$5,525 (PREVIOUSLY \$5,000) ON ANY ONE DAY MAY BE DELAYED. PLEASE REFER TO THE AVAILABILITY DISCLOSURE FOR COMMERCIAL DEPOSIT ACCOUNTS ("DISCLOSURE"). ALSO, WHEN DETERMINING THE AVAILABILITY OF YOUR DEPOSIT MADE TO A BRANCH EMPLOYEE, OUR BUSINESS DAY CUTOFF TIME WILL NOW BE THE BRANCH CLOSING TIME ON A BUSINESS DAY THAT WE ARE OPEN. MOBILE BANKING CHECK DEPOSITS HAVE A CUTOFF TIME OF 10:00 PM ET.