

Application: Harbor Science and Arts Charter School

Kelly Ortagus-Russell - krussell@harborcharter.org
2021-2022 Annual Report

Summary

ID: 0000000271

Labels: SUNY Trustees

Entry 1 School Info and Cover Page

Completed Aug 1 2022

[Instructions](#)

Required of ALL Charter Schools

Each Annual Report begins with a completed School Information and Cover Page. The information is collected in a survey format within Annual Report portal. When entering information in the portal, some of the following items may not appear, depending on your authorizer and/or your responses to related items.

Entry 1 School Information and Cover Page

(New schools that were not open for instruction for the 2021-2022 school year are not required to complete or submit an annual report this year).

Please be advised that you will need to complete this cover page (including signatures) before all of the other tasks assigned to you by your school's authorizer are visible on your task page. While completing this cover page task, please ensure that you select the correct authorizer **(as of June 30, 2022)** or you may not be assigned the correct tasks.

BASIC INFORMATION

a. SCHOOL NAME

(Select name from the drop down menu)

HARBOR SCIENCE AND ARTS CHARTER SCHOOL 800000047167

a1. Popular School Name

(No response)

b. CHARTER AUTHORIZER (As of June 30th, 2021)

Please select the correct authorizer as of June 30, 2022 or you may not be assigned the correct tasks.

SUNY BOARD OF TRUSTEES

d. DISTRICT / CSD OF LOCATION

CSD # 4 - MANHATTAN

e. DATE OF INITIAL CHARTER

9/2000

f. DATE FIRST OPENED FOR INSTRUCTION

9/2000

c. School Unionized

Is your charter school unionized?

No

h. SCHOOL WEB ADDRESS (URL)

www.hsacs.org

i. Total Approved Charter Enrollment for 2021-2022 School Year (exclude Pre-K program enrollment)

(No response)

j. Total Enrollment on June 30, 2022 (exclude Pre-K program enrollment)

199

k. Grades Served during the 2021-2022 School Year (exclude Pre-K program students)

Check all that apply

Grades Served

K, 1, 2, 3, 4, 5, 6, 7, 8

I1. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?

No

FACILITIES INFORMATION

m. FACILITIES

Will the school maintain or operate multiple sites in 2022-2023?

No, just one site.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL 800000047167

School Site 1 (Primary)

m1. SCHOOL SITES

Please provide information on Site 1 for the upcoming school year.

	Physical Address	Phone Number	District/CSD	Grades to be Served at Site for coming year (K-5, 6-9, etc.)	Receives Rental Assistance for Which Grades (If yes, enter the appropriate grades. If no, enter No).
Site 1	132-142 E.111th St New York, NY 10029	917-261-2700	NYC CSD 4	K-8	No

m1a. Please provide the contact information for Site 1.

	Name	Title	Work Phone	Alternate Phone	Email Address
School Leader	Kelly Russell	Principal	917-261-2700		krussell@harborcharter.org
Operational Leader	George Sheppard	Operations Administrator	917-261-2700		gshepperd@harborcharter.org
Compliance Contact	Karen Cename	Compliance Administrator	917-261-2700		kcename@harborcharter.org
Complaint Contact	Kelly Russell	Principal	917-261-2700		krussell@harborcharter.org
DASA Coordinator	Pierre Hunt	Assistant Principal	917-261-2700		phunt@harborcharter.org
Phone Contact for After Hours Emergencies	Kelly Russell	Principal	332-214-9929		krussell@harborcharter.org

m1b. Is site 1 in public (co-located) space or in private space?

Private Space

IF LOCATED IN PRIVATE SPACE IN NYC OR IN DISTRICTS OUTSIDE NYC

m1d. Upload a current Certificate of Occupancy (COO) and the annual Fire Inspection Report for school site 1 if located in private space in NYC or located outside of NYC .

Certificate of Occupancy and Fire Inspection. Provide a copy of a current and non-expired certificate of occupancy (if outside NYC or in private space in NYC). For schools that are not in district space (NYC co-locations), provide a copy of a current and non-expired certificate of occupancy, and a copy of the current annual fire inspection results, which should be dated on or after July 1, 2021.

- **Fire inspection certificates must be updated annually. For the upcoming school year 2022-2023, the fire inspection certificate must be dated after July 1, 2021.**
- **If the fire inspection certificate is dated after the August 1, 2022 submission of the Annual Report, please submit the new certificate with the Annual Report entries due on November 1, 2022.**

Site 1 Certificate of Occupancy (COO)

[harbor-sci-annual report 2020-2021 .pdf](#)

Filename: harbor-sci-annual report 2020-2021 .pdf **Size:** 6.8 MB

Site 1 Fire Inspection Report

[harbor-sci-annual report 2020-2021 .pdf](#)

Filename: harbor-sci-annual report 2020-2021 .pdf **Size:** 6.8 MB

CHARTER REVISIONS DURING THE 2021-2022 SCHOOL YEAR

n1. Were there any revisions to the school’s charter during the 2021-2022 school year? (Please include approved or pending material and non-material charter revisions).

No

o. Has your school's Board of Trustee's approved a budget for the 2021-2022 FY?

Yes

ATTESTATIONS

p. Individual Primarily Responsible for Submitting the Annual Report. (To write type in a phone number with an extension, please use this format: 123-456-7890-3. The dash and number 3 at the end of the phone number refers to the individual's phone extension. Do not type in the work extension or the abbreviation for it - just the dash and the extension number after the phone number).

Name	Kelly Russell
Position	Principal
Phone/Extension	917-261-2700
Email	krussell@harborcharter.org

p. Our signatures (Executive Director/School Leader/Head of School and Board President) below attest that our school has reviewed, understands and will comply with the employee clearance and fingerprint requirements as outlined in Entry 10 and found in the [NYSED CSO Fingerprint Clearance Oct 2019 Memo](#). Click **YES to agree.**

Responses Selected:

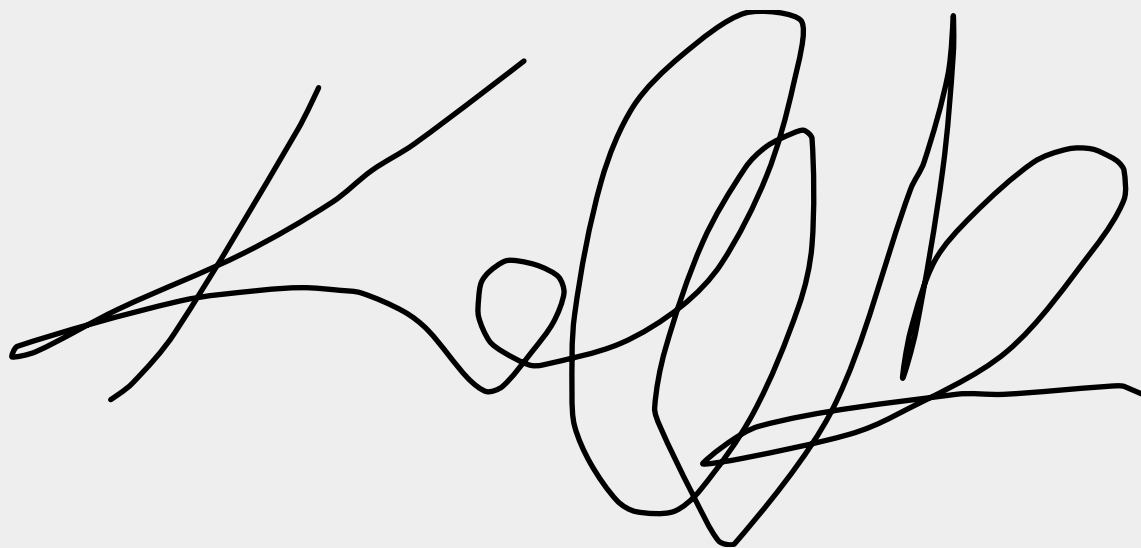
Yes

q. Our signatures (Executive Director/School Leader/Head of School and Board President) below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Click **YES** to agree and then use the mouse on your PC or the stylus on your mobile device to sign your name).

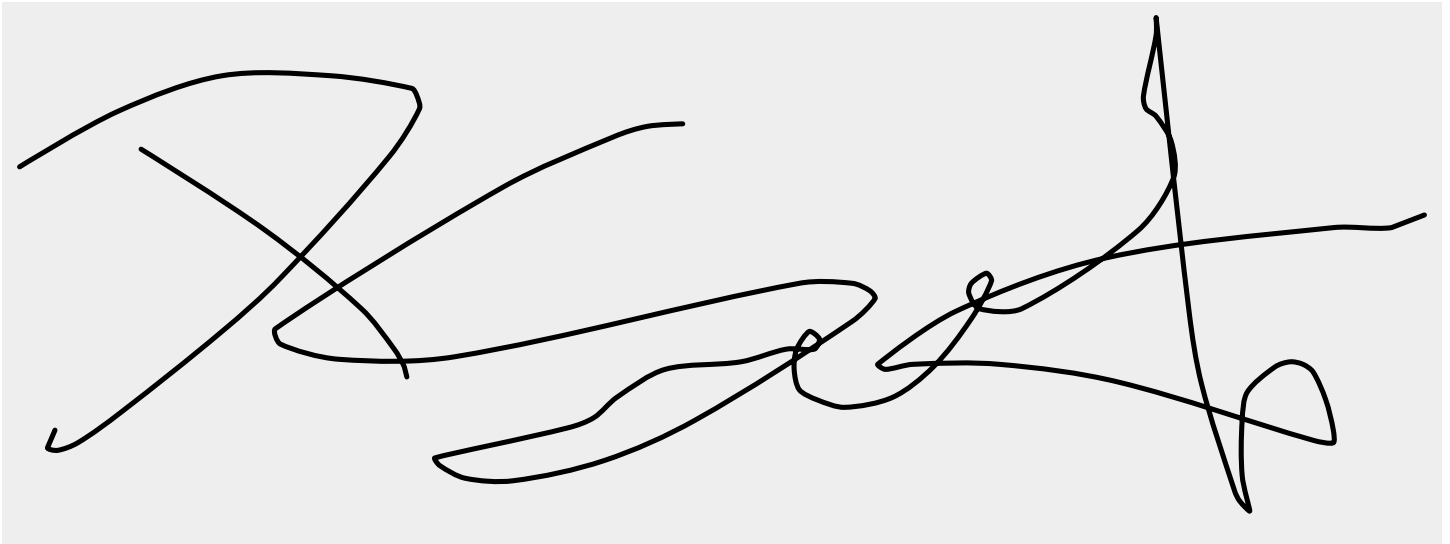
Responses Selected:

Yes

Signature, Head of Charter School

A handwritten signature in black ink on a light gray background. The signature is highly stylized and cursive, consisting of several overlapping loops and a long horizontal stroke at the end.

Signature, President of the Board of Trustees



Date

Aug 1 2022



Thank you.

Entry 3 Accountability Plan Progress Reports

Completed Aug 1 2022

Instructions

SUNY-Authorized Charter Schools ONLY- Complete Template and Upload to Epicenter

SUNY-authorized charter schools must download an Accountability Plan Progress Report template at [Accountability Plan Progress Report](#). After completing, SUNY-authorized charter schools must upload the document into the SUNY Epicenter system by **September 15, 2022**. SUNY CSI will forward to NYSED CSO.

PLEASE NOTE: This is a required task, and it is marked optional for administrative purposes only.

Harbor Science and Arts CS 6th Renewal

Filename: Harbor Science and Arts CS 6th Renewal.pdf **Size:** 1.0 MB

Entry 4 - Audited Financial Statements

Completed Aug 1 2022

Required of ALL Charter Schools

ALL SUNY-authorized charter schools must upload the financial statements and related documents in PDF format into the SUNY Epicenter system no later than **November 1, 2022**. SUNY CSI will forward to NYSED CSO. **SUNY-authorized charter schools** are asked to ensure that security features such as password protection are turned off.

ALL Regents, NYCDOE, and Buffalo BOE-authorized charter schools must upload final, audited financial statements to the [Annual Report Portal](#) no later than **November 1, 2022**. Upload the independent auditor's report, any advisory and/or management letter, and the internal controls report as one submission, combined into a PDF file, ensuring that security features such as password protections are removed from all school uploaded documents.

PLEASE NOTE: This task appears as visible and optional task in the online portal until August 1 2022 but will be identified as a required task thereafter and due on November 1, 2022. This is a required task, and it is marked optional for administrative purposes only.

Harbor-Science-and-Arts-Financial Statement 2020-21

Filename: Harbor Science and Arts Financial RdXBhff.pdf Size: 526.9 kB

Entry 4a - Audited Financial Report Template (SUNY)

Incomplete

Instructions - SUNY-Authorized Charter Schools ONLY

SUNY-authorized schools must download the Excel spreadsheet entitled "Audited Financial Report Template" at <http://www.newyorkcharters.org/fiscal/>. After completing, schools must upload the document into the SUNY Epicenter system no later than **November 1, 2022**. SUNY CSI will forward to NYSED CSO.

PLEASE NOTE: This is a required task, and it is marked optional for administrative purposes only.

Entry 4c - Additional Financial Documents

Incomplete Hidden from applicant

Instructions - Regents, NYCDOE and Buffalo BOE authorized schools must upload financial documents and submit by **November 1, 2022**. The items listed below should be uploaded, with an explanation if not applicable or available. For example, a "federal Single Audit was not required because the school did not expend federal funds of more than the \$750,000 Threshold."

1. Advisory and/or Management letter
2. Federal Single Audit
3. CSP Agreed-Upon Procedure Report
4. Evidence of Required Escrow Account for each school^[1]
5. Corrective Action Plan for Audit Findings and Management Letter Recommendations

^[1] Note: For BOR schools chartered or renewed after the 2017-2018 school year, the escrow account per

school is \$100,000.

PLEASE NOTE: This is a required task, and it is marked optional for administrative purposes only.

Entry 4d - Financial Services Contact Information

Incomplete Hidden from applicant

Regents, NYCDOE, and Buffalo BOE authorized schools should enter financial contact information directly into the form within the portal by **November 1, 2022**.

Form for "Financial Services Contact Information"

1. School Based Fiscal Contact Information

	School Based Fiscal Contact Name	School Based Fiscal Contact Email	School Based Fiscal Contact Phone

2. Audit Firm Contact Information

	School Audit Contact Name	School Audit Contact Email	School Audit Contact Phone	Years Working With This Audit Firm

3. If applicable, please provide contact information for the school's outsourced financial services firm.

	Firm Name	Contact Person	Mailing Address	Email	Phone	Years With Firm

Entry 5 - Fiscal Year 2022-2023 Budget

Completed Aug 1 2022

SUNY-authorized charter schools should download the [2022-23 Budget and Quarterly Report Template and the 2022-23 Budget Narrative Questionnaire](#) from the SUNY website and upload the completed template into Epicenter. SUNY CSI will forward to NYSED CSO. **Due November 1, 2022.**

Regents, NYCDOE, and Buffalo BOE authorized charter schools should upload a copy of the

school's FY22 Budget using the [2022-2023 Budget Template](#) in the portal or from the Annual Report website. **Due November 1, 2022.**

The assumptions column should be completed for all revenue and expense items unless the item is self-explanatory. Where applicable, reference the page number or section in the application narrative that indicates the assumption being made. For instance, student enrollment would reference the applicable page number in Section I, C of the application narrative.

PLEASE NOTE: This is a required task, and it is marked optional for administrative purposes only.

[HSACS Budget 2022-2023 Approved 6](#)

Filename: HSACS Budget 2022 2023 Approved 6.14.22 1.pdf **Size:** 735.7 kB

Entry 6 - Board of Trustees Disclosure of Financial Interest Form

Completed Aug 1 2022

Due on August 1, 2022, each member of the charter school's Board of Trustees who served on a charter school education corporation governing one or more charter schools for any period during the 2021-2022 school year must complete and sign a [Trustee Disclosure of Financial Interest Form](#). Acceptable signature formats include:

- Digitally certified PDF signature (i.e., DocuSign)
- Manual signature (1. download to print, 2. manually sign, 3. scan signed document to PDF, and 4. upload into portal)

All completed forms must be collected and uploaded in .PDF format for each individual member. **The education corporation is responsible for completing the form for trustees who left the board during the reporting year.**

Forms completed from past years will not be accepted. **Only the latest version of the form** (updated in April, 2022) is acceptable.).

Trustees serving on an education corporation that governs more than one school are not required to complete a separate disclosure for each school governed by the education corporation. In the Disclosure of Financial Interest Form, trustees must disclose information relevant to any of the schools served by the governing education corporation.

[harbor-sci-annual report 2020-2021](#)

Filename: harbor sci annual report 2020 2021 .pdf **Size:** 6.8 MB

Entry 7 BOT Membership Table

Completed Aug 1 2022

Instructions

Required of ALL charter schools

ALL charter schools or education corporations governing multiple schools must complete the Board of Trustees Membership Table within the online portal. Please be sure to include and identify parents who

are members of the Board of Trustees and indicate whether parents are voting or non-voting members.

Entry 7 BOT Table

1. SUNY-AUTHORIZED charter schools are required to provide information for VOTING Trustees only.
2. REGENTS, NYCDOE, and BUFFALO BOE-AUTHORIZED charter schools are required to provide information for all --VOTING and NON-VOTING-- trustees.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL 800000047167

Authorizer:

Who is the authorizer of your charter school?

SUNY

1. 2021-2022 Board Member Information (Enter info for each BOT member)

	Trustee Name	Trustee Email Address	Position on the Board	Committee Affiliations	Voting Member Per By-Laws (Y/N)	Number of Terms Served	Start Date of Current Term (MM/DD/YYYY)	End Date of Current Term (MM/DD/YYYY)	Board Meetings Attended During 2021-2022
1	Philip Salmon		Chair	Finance	Yes	8	07/01/2021	06/30/2022	11
2	Alvin Patrick		Vice Chair	Fundraising	Yes	8	07/01/2021	06/30/2022	12
3	Robert		Secretar	Trustee	Yes	8	07/01/2021	06/30/2022	12

	North		y				021	022	
4	Lisa Stenson		Treasurer	Finance	Yes	8	07/01/2021	06/30/2022	12
5	Richard Asche		Trustee/Member	Finance	Yes	8	07/01/2021	06/30/2022	12
6	Joanne Hunt		Trustee/Member	Education	Yes	2	07/01/2022	06/30/2022	12
7	Arielle Patrick		Trustee/Member	Fundraising	Yes	2	07/01/2022	06/30/2022	11
8	Susan Etes		Trustee/Member	Education	Yes	8	07/01/2022	06/30/2022	12
9	Olivia Nelson		Trustee/Member	Education	Yes	1	07/01/2022	06/30/2022	12

1a. Are there more than 9 members of the Board of Trustees?

Yes

1b. Board Member Information

	Trustee Name	Trustee Email Address	Position on the Board	Committee Affiliations	Voting Member Per By-Laws (Y/N)	Number of Terms Served	Start Date of Current Term (MM/DD/YYYY)	End Date of Current Term (MM/DD/YYYY)	Board Meetings Attended During 2021-2022
10	Luis Gamero		Parent Rep	Fundraising	Yes	1	07/01/2021	06/30/2022	12
11									
12									
13									
14									
15									

1c. Are there more than 15 members of the Board of Trustees?

No

2. INFORMATION ABOUT MEMBERS OF THE BOARD OF TRUSTEES

1. SUNY-AUTHORIZED charter schools provide response relative to VOTING Trustees only.
2. REGENTS, NYCDOE, and BUFFALO BOE-AUTHORIZED charter schools provide a response relative to all trustees.

a. Total Number of BOT Members on June 30, 2022	10
b.Total Number of Members Added During 2021-2022	2
c. Total Number of Members who Departed during 2021-2022	1
d.Total Number of members, as set in Bylaws, Resolution or Minutes	10

3. Number of Board meetings held during 2021-2022

12

4. Number of Board meetings scheduled for 2022-2023

12

Total number of Voting Members on June 30, 2022:

10

Total number of Voting Members added during the 2021-2022 school year:

2

Total number of Voting Members who departed during the 2021-2022 school year:

1

Total Maximum Number of Voting members in 2021-2022, as set by the board in bylaws, resolution, or minutes:

12

Thank you.

Entry 8 Board Meeting Minutes

Completed Aug 1 2022 Hidden from applicant

Instructions - Required of Regents, NYCDOE, and Buffalo BOE Authorized Schools ONLY

Schools must upload a complete set of monthly board meeting minutes (July 2021-June 2022), which should match the number of meetings held during the 2021-2022 school year, as indicated in the above table. The minutes provided must be the final version approved by the school's Board of Trustees and may be uploaded individually or as one single combined file. Board meeting minutes must be submitted by **August 1, 2022**.

HSACS 7

Filename: HSACS 7.26.22 Board Meeting Package.pdf Size: 876.5 kB

Entry 9 Enrollment & Retention

Completed Aug 1 2022

Instructions for submitting Enrollment and Retention Efforts

Required of ALL Charter Schools

Describe the good faith efforts the charter school has made in 2021-2022 toward meeting targets to attract and retain the enrollment of Students with Disabilities (SWDs), English Language Learners (ELLs), and students who are economically disadvantaged. In addition, describe the school's plans for meeting or making progress toward meeting its enrollment and retention targets in 2022-2023.

Entry 9 Enrollment and Retention of Special Populations

Recruitment/Attraction Efforts Toward Meeting Targets

	Describe Recruitment Efforts in 2021-2022	Describe Recruitment Plans in 2022-2023
Economically Disadvantaged	<p>Flyers to NYCHA Housing Social Media Outreach Current Family Outreach NYC Charter Center Virtual Fair NY Daily News Outreach to pre-k and local DOE feeder schools Door to Door postcards</p>	<p>Flyers to NYCHA Housing Social Media Outreach Current Family Outreach NYC Charter Center Virtual Fair NY Daily News Outreach to pre-k and local DOE feeder schools Door to Door postcards Postings on Eventbrite for all local and neighboring communities</p>
English Language Learners	<p>Bilingual Daycare Centers-Zoom meetings All information in english and spanish Spanish speaking staff outreach NYC Charter Center Virtual Fair</p>	<p>Bilingual Daycare Centers-Zoom meetings All information in english and spanish Spanish speaking staff outreach NYC Charter Center Virtual Fair</p>
Students with Disabilities	<p>NYC Charter Center Virtual Fair Review of IEP- Personal Conversation with SPED Compliance staff and/or School Leader ICT school classroom design in each classroom</p>	<p>NYC Charter Center Virtual Fair Review of IEP- Personal Conversation with SPED Compliance staff and/or School Leader ICT school classroom design in each classroom Outreach to local SPED pre-k programs</p>

Retention Efforts Toward Meeting Targets

	Describe Retention Efforts in 2021-2022	Describe Retention Plans in 2022-2023
Economically Disadvantaged	Individual conversations with each family about returning and answering all questions	Individual conversations with each family about returning and answering all questions 2022-2023 Orientations at BOY for all families to meet new principal and learn about plans for the upcoming year
English Language Learners	Spanish speaking staff have Individual conversations with each family about returning and answering all questions	Spanish speaking staff have Individual conversations with each family about returning and answering all questions 2022-2023 Orientations held with Spanish translator at BOY for all families to meet new principal and learn about plans for the upcoming year
Students with Disabilities	Personal individual IEP reviews and progress updates with teachers and school leaders	Personal individual IEP reviews and progress updates with teachers and school leaders 2022-2023 Orientations held with sign language translator at BOY for all families to meet new principal and learn about plans for the upcoming year

Entry 10 - Teacher and Administrator Attrition

Completed Aug 1 2022

Form for "Entry 10 - Teacher and Administrator Attrition" Revised to Employee Fingerprint Requirements Attestation

A. TEACH System - Employee Clearance

Charter schools must ensure that all prospective employees^[1] receive clearance through [the NYSED Office of School Personnel Review and Accountability](#) (OSPRA) prior to employment. **This includes paraprofessionals and other school personnel who are provided or assigned by the district of location, or related/contracted service providers.** After an employee has been cleared, schools are required to maintain proof of such clearance in the file of each employee. For the safety of all students, charter schools must take immediate steps to terminate the employment of individuals who have been denied clearance. Once the employees have been terminated, the school must terminate the request for clearance in the TEACH system.

In the Annual Report, charter schools are asked to confirm that all employees have been cleared through the NYSED TEACH system; and, if denied clearance, confirm that the individual or employee has been removed from the TEACH system, and is not employed by the school.

^[1] Employees who must be cleared include, but are not limited to, teachers, administrative staff, janitors, security personnel and cafeteria workers, and other staff who are present when children are in the school building. **This includes paraprofessionals and other school personnel that are provided or assigned by the district of location, as well as related/contracted service providers.** See NYSED memorandum dated October 1, 2019 at <http://www.nysed.gov/common/nysed/files/programs/charter-schools/employeefingerprintoct19.pdf> or visit the NYSED website at: <http://www.highered.nysed.gov/tsei/ospra/fingerprintingcharts.html> for more information regarding who must be fingerprinted. Also see, 8 NYCRR §87.2.

B. Emergency Conditional Clearances

Emergency Conditional Clearances

Charter schools are **strongly discouraged** from using the emergency conditional clearance provisions for prospective employees. This is because the school must request clearance through NYSED TEACH, and the school's emergency conditional clearance of the employee terminates automatically once the school receives notification from NYSED regarding the clearance request. Status notification is provided for all prospective employees through the NYSED TEACH portal within 48 hours after the clearance request is submitted. Therefore, at most, a school's emergency conditional clearance will be valid for only 48 hours after approval by the board.

Schools are not permitted to renew or in any way re-establish a prospective employee's emergency conditional clearance after status notification is sent by NYSED through the TEACH portal.

Schools are asked to attest that they have reviewed and understand these requirements. More information can be found in the memo at [NYSED CSO Employee Clearance and Fingerprint Memo 10-2019](#).

Attestation

Responses Selected:

I hereby attest that the school has reviewed, understands, and will comply with these requirements.

Entry 11 Percent of Uncertified Teachers

Completed Aug 1 2022 Hidden from applicant

Instructions

Required of Regents, NYCDOE, and Buffalo BOE Authorized Charter Schools ONLY

The table below reflects the information collected through the online portal for compliance with New York State Education Law 2854(3)(a-1) for teaching staff qualifications. Uncertified teachers are those not certified pursuant to the State Certification Requirements established by the NYSED Commissioner of Education.

Enter the relevant full-time equivalent (FTE) count of teachers in each column. For example, a school with 20 full-time teachers and 5 half-time teachers would have an FTE count of 22.5.

Entry 11 Uncertified Teachers

School Name:

Instructions for Reporting Percent of Uncertified Teachers

Required of Regents, NYCDOE, and Buffalo BOE Authorized Charter Schools

The table below reflects the information collected through the online portal for compliance with New York State Education Law 2854(3)(a-1) for teaching staff qualifications. Uncertified teachers are those not certified pursuant to the State Certification Requirements established by the NYSED Commissioner of Education. Enter the relevant full-time equivalent (FTE) count of teachers in each column. For example, a school with 20 full-time teachers and 5 half-time teachers would have an FTE count of 22.5.

If more than one line applies to a teacher, please include in only one FTE uncertified category. Please do not include paraprofessionals, such as teacher aides.

CATEGORY A. 30% OR 5 UNCERTIFIED TEACHERS WHICHEVER IS LESS

	FTE Count
i. FTE count of uncertified teacher with at least three years of elementary, middle or secondary classroom teaching experience (as of June 30, 2022)	0
ii. FTE count of uncertified teachers who are tenured or tenure track college faculty (as of June 30, 2022)	0
iii. FTE count of uncertified teachers with two years of Teach for America experience (as of June 30, 2022)	0
iv. FTE count of uncertified teachers with exceptional business, professional, artistic, athletic, or military experience (as June 30, 2022)	0
Total Category A: 5 or 30% whichever is less	0.0

CATEGORY B. PLUS FIVE UNCERTIFIED TEACHERS IN MATHEMATICS, SCIENCE, COMPUTER SCIENCE, TECHNOLOGY OR CAREER AND TECHNICAL EDUCATION.

	FTE Count
i. Mathematics	0
ii. Science	0
iii. Computer Science	0
iv. Technology	0
v. Career and Technical Education	0
Total Category B: not to exceed 5	0.0

CATEGORY C: PLUS 5 ADDITIONAL UNCERTIFIED TEACHERS

	FTE Count
i. FTE count of uncertified teacher with at least three years of elementary, middle or secondary classroom teaching experience (as of June 30, 2022)	0
ii. FTE count of uncertified teachers who are tenured or tenure track college faculty (as of June 30, 2022)	0
iii. FTE count of uncertified teachers with two years of Teach for America experience (as of June 30, 2022)	0
iv. FTE count of uncertified teachers with exceptional business, professional, artistic, athletic, or military experience (as June 30, 2022)	0
Total Category C: not to exceed 5	0.0

TOTAL FTE COUNT OF UNCERTIFIED TEACHERS (Sum of Categories A, B AND C)

(Include teachers who do not fit in one of these categories or if did fit would exceed the numerical limits for that category)

	FTE Count
Total	0

CATEGORY D: TOTAL FTE COUNT OF UNCATEGORIZED, UNCERTIFIED TEACHERS

(Include teachers who do not fit in one of these categories or if did fit would exceed the numerical limits for that category)

	FTE Count
Total Category D	0

CATEGORY E: TOTAL FTE COUNT OF CERTIFIED TEACHERS

	FTE Count
Total Category E	33

CATEGORY F: TOTAL FTE COUNT OF ALL TEACHERS

Please do not include paraprofessionals, such as teacher aides.

	FTE Count
Total Category F	33

Thank you.



Entry 12 Organization Chart

Completed Aug 1 2022 Hidden from applicant

[Instructions](#)

Required of Regents, NYCDOE, and Buffalo BOE Authorized Charter Schools ONLY

Upload the 2021-2022 **Organization Chart**. The organization chart should include position titles and reporting relationships. Employee names should **not** appear on the chart.

HSACS Organization Chart -Aug

Filename: HSACS Organization Chart Aug.1.2022.pdf **Size:** 160.4 kB

Entry 13 School Calendar

Completed Aug 1 2022

[Instructions for submitting School Calendar](#)

Required of ALL Charter Schools

If the charter school has a tentative calendar based on available information and guidance at the time, please submit with the August 1, 2022 submission. Charter schools must upload a final school calendar into the portal and may do so at any time but no later than **September 15, 2022**.

School calendars must meet the [minimum instructional requirements](#) as required of other public schools *"... unless the school's charter requires more instructional time than is required under the regulations."*

Board of Regents-authorized charter schools also are required to submit school calendars that clearly indicate the start and end date of the instructional year AND the number of instructional hours and/or instructional days for each month. See an example of a calendar showing the requested information. Schools are encouraged to use a calendar template and ensure there is a monthly tally of instructional days.

PLEASE NOTE: This is a required task, and it is marked optional for administrative purposes only.

HSACS 2022-2023 SY FINAL Calendar

Filename: HSACS 2022 2023 SY FINAL Calendar.pdf **Size:** 119.8 kB

Entry 14 Links to Critical Documents on School Website

Completed Aug 1 2022

[Instructions](#)

Required of ALL Charter Schools noting that SUNY-authorized charter schools are not required to submit item 5: Authorizer-approved DASA policy and NYSED-Approved School Discipline Policy

By law, each charter school is required to maintain certain notices and policies listed on its website. Please insert the [link](#) from the school's website for each of the items:

1. Current Annual Report (i.e., 2021-2022 Annual Report);[\[1\]](#)
2. Board meeting notices, agendas and documents;
3. New York State School Report Card;
4. Authorizer-approved DASA Policy and NYSED-Approved School Discipline Policy **(For Regents, NYCDOE, and Buffalo BOE-Authorized Charter Schools ONLY)**;

5. District-wide safety plan, not a building level safety plan (as per the September 2021 [Emergency Response Plan Memo](#));
6. Authorizer-approved FOIL Policy; and
7. Subject matter list of FOIL records. (Example: See [NYSED Subject Matter List](#))

[1] Each charter school is required to make the Annual Report publicly available by August 1 and to post on their respective charter school website. Each school should post an updated and complete version to include accountability data and financial statements that are not or may not be available until after the August deadline (i.e., Repost when financials have been submitted in November.)

Form for Entry 14 Links to Critical Documents on School Website

School Name: Harbor Science and Arts Charter School

Required of ALL Charter Schools noting that SUNY-authorized charter schools are not required to submit item 4: Authorizer-approved DASA policy and NYSED-Approved School Discipline Policy

By law, each charter school is required to maintain certain notices and policies listed on its website. Please insert the link from the school’s website for each of the items:

	Link to Documents
1. Current Annual Report (i.e., 2021-2022 Annual Report)	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
2. Board meeting notices, agendas and documents	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
3. New York State School Report Card	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
4. Authorizer-approved DASA Policy and NYSED-Approved School Discipline Policy (For Regents, NYCDOE, and Buffalo BOE-Authorized Charter Schools ONLY)	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
5. District-wide safety plan, not a building level safety plan (as per the September 2021 Emergency Response Plan Memo	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
6. Authorizer-approved FOIL Policy	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d
7. Subject matter list of FOIL records. (Example: See NYSED Subject Matter List)	https://www.hsacs.org/apps/pages/index.jsp?uREC_ID=385532&type=d

Thank you.



Entry 15 Staff Roster

Completed Aug 1 2022 Hidden from applicant

INSTRUCTIONS

Required of Regents and NYCDOE-authorized Charter Schools ONLY

Please click on the MS Excel [Faculty/Staff Roster Template](#) and provide the following information for **ANY and ALL** instructional and non-instructional employees.

Use of the 2021-2022 Annual Report Faculty/Staff roster template is required. Each of the data elements, with the exception of the Notes, are required, and use of the drop-down options, when provided, is also required. Reminders: Please use the notes section provided to add any additional information as deemed necessary. Failure to adhere to the guidelines and validations in the Staff Roster Template will result in a resubmission of a fully corrected roster.

Please note the roster should include all staff employed any point from July 1, 2021 to June 30, 2022, including those employed on June 30th.

[HSACS Staff Roster as of 7](#)

Filename: HSACS Staff Roster as of 7.27.22.xlsx **Size:** 12.5 kB

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NEW YORK, NEW YORK

AUDITED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022

(With Comparative Totals For 2021)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Harbor Science and Arts Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Harbor Science and Arts Charter School, which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Harbor Science and Arts Charter School as of June 30, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harbor Science and Arts Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Science and Arts Charter School's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Harbor Science and Arts Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Science and Arts Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Harbor Science and Arts Charter School's June 30, 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 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 27, 2022 on our consideration of Harbor Science and Arts Charter 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 control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Science and Arts Charter School's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 27, 2022

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(With Comparative Totals For 2021)

<u>ASSETS</u>	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 501,211	\$ 1,195,432
Grants and other receivables	593,615	198,088
Prepaid expenses	<u>139,113</u>	<u>76,625</u>
TOTAL CURRENT ASSETS	1,233,939	1,470,145
 <u>PROPERTY AND EQUIPMENT</u>		
Furniture and fixtures	76,898	72,881
Computers and software	249,955	201,681
Leasehold improvements	<u>381,916</u>	<u>353,769</u>
	708,769	628,331
Less accumulated depreciation and amortization	<u>417,822</u>	<u>365,724</u>
	290,947	262,607
 <u>OTHER ASSETS</u>		
Cash in escrow	75,000	75,000
Security deposit	<u>30,000</u>	<u>30,000</u>
	105,000	105,000
TOTAL ASSETS	<u>\$ 1,629,886</u>	<u>\$ 1,837,752</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 95,984	\$ 96,219
Accrued payroll and benefits	374,993	285,934
Current portion of notes payable	<u>1,095</u>	<u>848</u>
TOTAL CURRENT LIABILITIES	472,072	383,001
 <u>NON-CURRENT LIABILITIES</u>		
Deferred lease liability	89,658	104,601
Notes payable	<u>156,652</u>	<u>696,382</u>
OTHER LIABILITIES	<u>246,310</u>	<u>800,983</u>
TOTAL LIABILITIES	718,382	1,183,984
<u>NET ASSETS</u> - Without donor restrictions	<u>911,504</u>	<u>653,768</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,629,886</u>	<u>\$ 1,837,752</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2022
(With Comparative Totals For 2021)

	<u>Year ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	
Revenue, gains, and other support:			
Public school district			
Resident student enrollment	\$ 3,168,777	\$ 3,503,528	
Students with disabilities	708,533	523,672	
Grants and contracts			
State and local	4,679	680	
State contributions of nonfinancial assets	12,928	19,812	
Federal - Title and IDEA	163,864	141,355	
Federal - Other	473,830	87,442	
Food service/Child nutrition program	<u>236,666</u>	<u>24,798</u>	
	TOTAL REVENUE, GAINS AND OTHER SUPPORT	4,769,277	4,301,287
Expenses:			
Program services:			
Regular education	2,898,175	2,133,241	
Special education	<u>1,562,028</u>	<u>1,479,123</u>	
	TOTAL PROGRAM SERVICES	4,460,203	3,612,364
Management and general	<u>622,123</u>	<u>542,886</u>	
	TOTAL OPERATING EXPENSES	<u>5,082,326</u>	<u>4,155,250</u>
	(DEFICIT) SURPLUS FROM SCHOOL OPERATIONS	(313,049)	146,037
Support and other revenue:			
Contributions:			
Other	21,641	9,199	
Fundraising	1,364	2,242	
Paycheck Protection Program loan forgiveness	537,906	-	
Other revenue	<u>9,874</u>	<u>-</u>	
	TOTAL SUPPORT AND OTHER REVENUE	<u>570,785</u>	<u>11,441</u>
	CHANGE IN NET ASSETS	257,736	157,478
Net assets at beginning of year	<u>653,768</u>	<u>496,290</u>	
	NET ASSETS AT END OF YEAR	<u>\$ 911,504</u>	<u>\$ 653,768</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022
(With Comparative Totals For 2021)

	No. of positions June 30, 2022	Year ended June 30,					Total	Total
		2022			2021			
		Regular Education	Special Education	Sub-total	Supporting Services Management and general	Total		
Salaries and staff:								
Administrative staff personnel	5	\$ 316,773	\$ 125,679	\$ 442,452	\$ 276,752	\$ 719,204	\$ 821,656	
Instructional personnel	29	1,367,949	807,935	2,175,884	-	2,175,884	1,651,304	
Non-instructional personnel	5	111,470	49,592	161,062	6,327	167,389	154,907	
TOTAL SALARIES AND STAFF	39	1,796,192	983,206	2,779,398	283,079	3,062,477	2,627,867	
Fringe benefits & payroll taxes		390,586	215,864	606,450	64,731	671,181	577,987	
Retirement		(231)	(128)	(359)	2,391	2,032	2,324	
Legal Services		-	-	-	-	-	21,220	
Accounting / audit services		-	-	-	174,359	174,359	23,750	
Other purchased / professional / consulting services		74,536	33,161	107,697	14,241	121,938	49,231	
Building and land rent / lease / facility finance interest		238,428	131,771	370,199	39,513	409,712	408,222	
Repairs and maintenance		30,834	17,041	47,875	5,110	52,985	59,569	
Insurance		24,008	13,268	37,276	3,979	41,255	38,274	
Utilities		36,826	20,353	57,179	6,103	63,282	43,992	
Supplies / materials		48,880	21,747	70,627	-	70,627	57,307	
Equipment rental		12,304	6,789	19,093	2,121	21,214	33,940	
Staff development		12,982	6,134	19,116	884	20,000	12,746	
Marketing / recruitment		9,378	5,183	14,561	1,554	16,115	4,657	
Technology		16,458	9,096	25,554	2,727	28,281	45,545	
Food service		138,512	61,623	200,135	-	200,135	31,693	
Student services		8,447	3,758	12,205	-	12,205	3,017	
Office expense		17,017	9,388	26,405	2,933	29,338	13,127	
Depreciation and amortization		40,263	22,252	62,515	6,673	69,188	56,264	
Other		2,755	1,522	4,277	11,725	16,002	44,518	
		<u>\$ 2,898,175</u>	<u>\$ 1,562,028</u>	<u>\$ 4,460,203</u>	<u>\$ 622,123</u>	<u>\$ 5,082,326</u>	<u>\$ 4,155,250</u>	

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022
(With Comparative Totals For 2021)

	<u>Year ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 257,736	\$ 157,478
Adjustments to reconcile change in net assets to net cash (used for) provided from operating activities:		
Depreciation and amortization	69,188	56,264
Forgiveness of Paycheck Protection Program loan	(537,906)	-
Interest expense included in notes payable	8,297	9,324
Forgiveness of accrued interest expense included in notes payable	(9,874)	-
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(395,527)	(31,802)
Prepaid expenses	(62,488)	10,606
Accounts payable	(235)	40,308
Accrued payroll and benefits	89,059	115,938
Deferred lease liability	(14,943)	(14,935)
NET CASH (USED FOR) PROVIDED FROM OPERATING ACTIVITIES	(596,693)	343,181
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(97,528)	(41,415)
NET CASH USED FOR INVESTING ACTIVITIES	(97,528)	(41,415)
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Borrowings on notes payable	-	150,000
NET CASH PROVIDED FROM FINANCING ACTIVITIES	-	150,000
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH	(694,221)	451,766
Cash and restricted cash at beginning of year	1,270,432	818,666
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 576,211</u>	<u>\$ 1,270,432</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF CASH FLOWS, Cont'd

YEAR ENDED JUNE 30, 2022
(With Comparative Totals For 2021)

	<u>Year ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash	\$ 501,211	\$ 1,195,432
Cash in escrow	<u>75,000</u>	<u>75,000</u>
	<u>\$ 576,211</u>	<u>\$ 1,270,432</u>
 <u>NON-CASH OPERATING AND INVESTING ACTIVITIES</u>		
Forgiveness of Paycheck Protection Program loan	\$ (537,906)	\$ -
Interest expense included in notes payable	<u>\$ 8,297</u>	<u>\$ 9,324</u>
Forgiveness of accrued interest expense included in notes payable	<u>\$ (9,874)</u>	<u>\$ -</u>
 <u>NON-CASH OPERATING ACTIVITIES</u>		
Contributions of nonfinancial assets	<u>\$ 12,928</u>	<u>\$ 19,812</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

(With Comparative Totals For 2021)

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

The Charter School

Harbor Science and Arts Charter School (the “Charter School”), is an education corporation operating as a charter school in New York, New York. The Charter school opened in 2000 with a charter granted by the Board of Regents of the University of the State of New York. On March 17, 2022, the Board of Regents of the University of the State of New York granted the Charter School a full-term charter, subject to certain conditions, valid for a term of five years through July 31, 2027 and renewable upon expiration.

The Charter School’s mission is to provide students with a high-quality education through a rigorous academic program that infuses character building, physical wellness and the arts. Students will graduate with the skills and knowledge necessary to succeed in higher learning institutions and have the capability to make a positive contribution to society.

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 did not have net assets with donor restrictions at June 30, 2022 and 2021.

Revenue 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.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

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

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

Public school district revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns public school district 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 Charter 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:

	June 30,		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Grants and other receivables	\$ 19,387	\$ 49,459	\$ 69,483

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.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

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, 2022 and 2021. The Charter School received cost-reimbursement grants of approximately \$517,600 and \$15,100 that have not been recognized at June 30, 2022 and 2021, respectively, 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 FDIC up to \$250,000 at that institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Cash in escrow

The Charter School maintains cash in an escrow account, pursuant to its Charter Agreement, to pay off expenses in the event of dissolution of the Charter School. The amount in escrow was \$75,000 at June 30, 2022 and 2021.

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. There was no allowance for doubtful accounts at June 30, 2022 and June 30, 2021.

Property and equipment

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

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

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

Deferred lease liability

The Charter School leases its facility. The lease contains pre-determined fixed escalations of the base rent. In accordance with GAAP, the Charter School recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts paid under the lease as a deferred lease liability.

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, 2019 through June 30, 2022 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Contributed services

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

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$16,100 and \$4,700 for the years ended June 30, 2022 and 2021, 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.

Comparatives for year ended 2021

The financial statements include certain prior year summarized comparative information in total but not by net asset 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 the Charter School's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

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

Adoption of new accounting standard - gifts-in-kind

In September 2020, the FASB issued a new accounting update to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind. The update requires not-for-profit entities to present contributed nonfinancial assets separately on the statement of activities, apart from contributions of cash and other financial assets. In addition, the update requires not-for-profit entities to disclose in the notes to the financial statements a breakout of the different types of gifts-in-kind recognized, any donor restrictions associated with the gift, the valuation technique(s) used to arrive at the fair value measure, whether or not the gift-in-kind was monetized, and any policies on monetization. The update is effective for fiscal years beginning after June 15, 2021 and will be applied on a retrospective basis. The Charter School adopted this standard during the year ended June 30, 2022.

During the years ended June 30, 2022 and 2021, the Charter School received contributed software and textbooks to be used for regular and special education at the Charter School. There are no donor restrictions associated with the contributed software and textbooks. The contributed software and textbooks were valued based on the fair market value of the software and textbooks at the time they were contributed. Gifts-in-kind amounted to \$12,928 and \$19,812 for the years ended June 30, 2022 and 2021, respectively.

<u>Program or Supporting Service</u>	<u>Year ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Regular education	\$ 9,050	\$ 13,869
Special education	<u>3,878</u>	<u>5,943</u>
Total	<u>\$ 12,928</u>	<u>\$ 19,812</u>

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 27, 2022, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

NOTE B: LIQUIDITY AND AVAILABILITY

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

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

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

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:

	June 30,	
	<u>2022</u>	<u>2021</u>
Cash	\$ 501,211	\$ 1,195,432
Grants and other receivables	<u>593,615</u>	<u>198,088</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 1,094,826</u>	<u>\$ 1,393,520</u>

NOTE C: NET ASSETS

Net assets without donor restrictions are as follows:

	June 30	
	<u>2022</u>	<u>2021</u>
Undesignated net assets	\$ 620,557	\$ 391,161
Invested in property and equipment	<u>290,947</u>	<u>262,607</u>
	<u>\$ 911,504</u>	<u>\$ 653,768</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

NOTE D: SCHOOL FACILITY

Effective July 1, 2013, the Charter School entered into a fifteen-year lease for its facilities through June 30, 2028. The Charter School's base rent for the year ended June 30, 2022 was \$408,163. The base rent will increase in accordance with the lease agreement. Rent expense totaled \$393,220 for both the years ended June 2022 and 2021.

The future minimum payments on this agreement are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 408,163
2024	408,163
2025	408,163
2026	408,163
2027	408,163
Thereafter	408,163
	<u>\$ 2,448,978</u>

In conjunction with this facility lease, the Charter School paid a security deposit of \$30,000, which is included on the accompanying statement of financial position at June 30, 2022 and 2021.

NOTE E: OPERATING LEASE

The Charter School leases office equipment under non-cancelable lease agreements expiring at various dates through September 2027. Lease expense was approximately \$17,000 and \$29,000 for the years ended June 30, 2022 and 2021, respectively. The future minimum payments on these agreements are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 21,024
2024	21,024
2025	20,756
2026	20,220
2027	5,055
Total	<u>\$ 88,079</u>

NOTE F: RETIREMENT PLAN

The Charter School sponsors a 403(b) retirement plan covering all regular employees. The Plan allows for the Charter School to make a discretionary employee matching contribution.

The Charter School did not make any contributions for the years ended June 30, 2022 and 2021.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

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, 2022 and 2021, approximately 99% and 98%, respectively, of grants and other receivables are due from New York State relating to certain grants.

For the years ended June 30, 2022 and 2021, 81% and 93%, respectively, of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located. For the year ended June 30, 2022, 18% of total operating revenue and support came from the federal government.

NOTE I: FUNCTIONAL EXPENSES

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

NOTE J: NOTES PAYABLE

In response to the COVID-19 outbreak, in April 2020, the Charter School applied for and was approved by a bank for a loan of \$537,906 through the Paycheck Protection Program (PPP) established by the Small Business Administration. The loan has a maturity of 2 years and an interest rate of 1%. The loan has the potential for forgiveness provided certain requirements are met by the Charter School. Accrued interest at June 30, 2021 was \$5,580, for a total amount due of \$543,757 at June 30, 2021. This amount was included in notes payable on the accompanying statement of financial position at June 30, 2021. On March 29, 2022, the entire balance including principal of \$537,906 plus accrued interest of \$9,874 was forgiven and recognized as income during the year ended June 30, 2022.

On August 29, 2020, the Charter School received a \$150,000 Economic Injury Disaster Loan (EIDL) through the Small Business Administration (SBA). The loan requires monthly payments of \$641, including principal and interest, beginning twelve months from the date of the loan through the loan's maturity date which is thirty years from the date of the loan. On March 16, 2021, the SBA announced payments will not be required prior to March 31, 2022. Effective March 15, 2022 the SBA announced an additional six months of deferment for a total of 30 months from the date of the note. The Charter School's first payment will be due in March 2023. Interest will accrue at a rate of 2.75% per annum, including through the extended deferment period. The Charter School has not made any payments on the loan as of June 30, 2022. Accrued interest as of June 30, 2022 is \$7,747, for a total amount due of \$157,747 at June 30, 2022.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2022

(With Comparative Totals For 2021)

NOTE J: NOTES PAYABLE, Cont'd

Estimated annual maturities of the EIDL note payable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 1,095
2024	3,346
2025	3,439
2026	3,535
2027	3,633
Thereafter	134,952
	<u>\$ 150,000</u>

NOTE K: 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 beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Charter School has recognized \$445,073 and \$75,600 of revenue relative to ESSER grants during the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022, the Charter School has \$516,103 of ESSER grants available for expenditure through September 30, 2024.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

REPORT TO THE FINANCE COMMITTEE

JUNE 30, 2022

October 27, 2022

The Finance Committee
Harbor Science and Arts Charter School

We have audited the financial statements of Harbor Science and Arts Charter School as of and for the year ended June 30, 2022, and have issued our report thereon October 27, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 13, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Harbor Science and Arts Charter School solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced outsourced accounting team who reviews the draft financial statements prior to issuance and accepts responsibility for them.

Significant Risks Identified

We have identified the following significant risks:

- Management override
- Improper revenue recognition
- Improper allocation of expenses to grants
- Misappropriation of assets

These are considered risks due to their potential impact on Harbor Science and Arts Charter School's financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Harbor Science and Arts Charter School is included in Note A to the financial statements. As described in Note A to the financial statements, during the year, the Charter School adopted new guidance for gifts-in-kind (ASU 2020-07). No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings or Issues

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

* * * * *

Should you desire further information concerning these matters, Michelle Cain or Kevin Kopp will be happy to meet with you at your convenience.

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

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

MENGEL, METZGER, BARR & CO. LLP

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NEW YORK, NEW YORK

SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE UNIFORM GUIDANCE

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2022

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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*

Board of Trustees
Harbor Science and Arts 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 Harbor Science and Arts Charter School, which comprise the statement of financial position as of June 30, 2022 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 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harbor Science and Arts Charter School’s internal control over financial reporting (internal control) as a basis for designing 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 Harbor Science and Arts Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of Harbor Science and Arts Charter School’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harbor Science and Arts 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

Harbor Science and Arts Charter School's Response to Finding

Harbor Science and Arts Charter School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Harbor Science and Arts Charter School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 27, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Harbor Science and Arts Charter School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harbor Science and Arts Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Harbor Science and Arts Charter School's major federal programs for the year ended June 30, 2022. Harbor Science and Arts Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Harbor Science and Arts Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harbor Science and Arts Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Harbor Science and Arts Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Harbor Science and Arts Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harbor Science and Arts Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Harbor Science and Arts Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harbor Science and Arts Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Harbor Science and Arts Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Harbor Science and Arts Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Harbor Science and Arts Charter School as of and for the year ended June 30, 2022, and have issued our report thereon dated October 27, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 27, 2022

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

	<u>Federal AL Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:			
<u>Passed through New York State Education Department:</u>			
Title I - Grants to Local Educational Agencies	84.010	0021	\$ 84,073
Title IIA - Supporting Effective Instruction State Grant	84.367	0147	18,636
Title IV- Student Support and Academic Enrichment Program	84.424	0204	10,000
<u>Education Stabilization Funds -</u>			
ESSER I - Elementary and Secondary School Emergency Relief Fund	84.425D	5891	15,078
ESSER II - Elementary and Secondary School Emergency Relief Fund	84.425D	5891	175,886
ARP ESSER - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5880	247,913
ESSER HCY - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth	84.425W	5218	6,195
<i>Total Education Stabilization Funds</i>			<u>445,072</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			557,781
U.S. Department of Agriculture:			
<u>Passed through New York State Education Department:</u>			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	310400860812	70,612
National School Lunch Program	10.555	310400860812	139,836
Emergency Operational Cost - COVID	10.555	310400860812	25,617
<i>Total Child Nutrition Cluster</i>			<u>236,065</u>
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost Grant	10.469	310400860812	601
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>236,666</u>
TOTAL ALL PROGRAMS			<u>\$ 794,447</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Cont'd

YEAR ENDED JUNE 30, 2022

NOTE A: BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of Harbor Science and Arts Charter School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Harbor Science and Arts Charter School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? x yes _____ no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of major program:

AL Number:

84.425D, 84.425U, 84.425W

Name of Federal Program or Cluster:

ESSER I, ESSER II, ARP ESSER & ESSER HCY

Dollar threshold used to distinguish between type A and type B programs:

 \$750,000

Auditee qualified as low-risk auditee?

_____ yes x no

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Cont'd

YEAR ENDED JUNE 30, 2022

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2022-001

Statement of condition

During our audit, we noted the Charter School did not adhere to the terms of their charter agreement as the Charter School's enrollment fell below 80% of the projected enrollment for the 2021-2022 academic year and written approval from SUNY Charter Schools Institute ("SUNY CSI") was not obtained.

Criteria and effect of conditions

During our audit, we noted the Charter School's charter agreement requires the Charter School to obtain written approval from SUNY CSI prior to commencing or continuing instruction when the total number of students enrolled is less than 80% of the projected enrollment for a given academic year. We noted the Charter School's enrollment was 73% of the projected enrollment for the 2021-2022 academic year.

Recommendation

We recommend the Charter School obtain written approval from SUNY CSI if enrollment falls below 80% of projected enrollment for a given academic year.

Management response

The Charter School was in communication with SUNY CSI about its enrollment; however, it will ensure to receive written approval should enrollment fall below 80% in future years.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

- NONE

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

- NONE

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NEW YORK, NEW YORK

AUDITED FINANCIAL STATEMENTS

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2021

(With Comparative Totals For 2020)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Harbor Science and Arts Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Science and Arts Charter School, which comprise the statement of financial position as of June 30, 2021, 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 Harbor Science and Arts Charter School as of June 30, 2021, 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 Harbor Science and Arts Charter School's June 30, 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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, 2021 on our consideration of Harbor Science and Arts Charter 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 control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Science and Arts Charter School's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 28, 2021

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

(With Comparative Totals For 2020)

<u>ASSETS</u>	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 1,195,432	\$ 743,666
Grants and other receivables	198,088	166,286
Prepaid expenses	<u>76,625</u>	<u>87,231</u>
TOTAL CURRENT ASSETS	1,470,145	997,183
 <u>PROPERTY AND EQUIPMENT</u>		
Furniture and fixtures	72,881	72,881
Computers and software	201,681	167,347
Leasehold improvements	<u>353,769</u>	<u>353,769</u>
	628,331	593,997
Less accumulated depreciation and amortization	<u>365,724</u>	<u>316,541</u>
	262,607	277,456
 <u>OTHER ASSETS</u>		
Cash in escrow	75,000	75,000
Security deposit	<u>30,000</u>	<u>30,000</u>
	105,000	105,000
TOTAL ASSETS	<u>\$ 1,837,752</u>	<u>\$ 1,379,639</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 96,219	\$ 55,911
Accrued payroll and benefits	285,934	169,996
Current portion of notes payable	<u>848</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	383,001	225,907
 <u>NON-CURRENT LIABILITIES</u>		
Deferred lease liability	104,601	119,536
Notes payable	<u>696,382</u>	<u>537,906</u>
OTHER LIABILITIES	<u>800,983</u>	<u>657,442</u>
TOTAL LIABILITIES	1,183,984	883,349
 <u>NET ASSETS</u>		
Without donor restrictions	653,768	471,290
With donor restrictions	<u>-</u>	<u>25,000</u>
	653,768	496,290
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,837,752</u>	<u>\$ 1,379,639</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2021
(With Comparative Totals For 2020)

	Year ended June 30,			2020
	2021		Total	
	Without donor restrictions	With donor restrictions		
Revenue, gains, and other support:				
Public school district				
Resident student enrollment	\$ 3,503,528	\$ -	\$ 3,503,528	\$ 3,762,767
Students with disabilities	523,672	-	523,672	302,841
Grants and contracts				
State and local	20,492	-	20,492	19,990
Federal - Title and IDEA	141,355	-	141,355	153,320
Federal - Other	87,442	-	87,442	12,516
Food service/Child nutrition program	24,798	-	24,798	104,282
TOTAL REVENUE, GAINS AND OTHER SUPPORT	4,301,287	-	4,301,287	4,355,716
Expenses:				
Program services:				
Regular education	2,133,241	-	2,133,241	2,702,335
Special education	1,479,123	-	1,479,123	987,437
TOTAL PROGRAM SERVICES	3,612,364	-	3,612,364	3,689,772
Management and general	542,886	-	542,886	474,804
TOTAL OPERATING EXPENSES	4,155,250	-	4,155,250	4,164,576
SURPLUS FROM SCHOOL OPERATIONS	146,037	-	146,037	191,140
Support and other revenue:				
Contributions:				
Other	9,199	-	9,199	61,491
Fundraising	2,242	-	2,242	13,866
Net assets released from restriction	25,000	(25,000)	-	-
TOTAL SUPPORT AND OTHER REVENUE	36,441	(25,000)	11,441	75,357
CHANGE IN NET ASSETS	182,478	(25,000)	157,478	266,497
Net assets at beginning of year	471,290	25,000	496,290	229,793
NET ASSETS AT END OF YEAR	<u>\$ 653,768</u>	<u>\$ -</u>	<u>\$ 653,768</u>	<u>\$ 496,290</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021
(With Comparative Totals For 2020)

	No. of positions June 30, 2021	Year ended June 30,					Total	Total
		2021			2020			
		Regular Education	Special Education	Sub-total	Supporting Services Management and general	Total		
Salaries and staff:								
Administrative staff personnel	4	\$ 389,663	\$ 143,405	\$ 533,068	\$ 288,588	\$ 821,656	\$ 836,081	
Instructional personnel	28	872,767	778,537	1,651,304	-	1,651,304	1,465,431	
Non-instructional personnel	4	107,508	41,719	149,227	5,680	154,907	216,408	
TOTAL SALARIES AND STAFF	36	1,369,938	963,661	2,333,599	294,268	2,627,867	2,517,920	
Fringe benefits & payroll taxes		297,990	213,406	511,396	66,591	577,987	564,459	
Retirement		1,198	858	2,056	268	2,324	-	
Legal Services				-	21,220	21,220	-	
Accounting / audit services		-	-	-	23,750	23,750	44,330	
Other purchased / professional / consulting services		27,736	10,764	38,500	10,731	49,231	70,289	
Building and land rent / lease / facility finance interest		210,465	150,725	361,190	47,032	408,222	408,616	
Repairs and maintenance		30,712	21,994	52,706	6,863	59,569	60,480	
Insurance		19,732	14,132	33,864	4,410	38,274	44,883	
Utilities		22,681	16,243	38,924	5,068	43,992	44,517	
Supplies / materials		41,286	16,021	57,307	-	57,307	83,425	
Equipment rental		17,498	12,532	30,030	3,910	33,940	30,549	
Staff development		3,728	2,343	6,071	6,675	12,746	12,414	
Marketing / recruitment		2,401	1,719	4,120	537	4,657	18,870	
Technology		23,481	16,815	40,296	5,249	45,545	36,497	
Food service		22,833	8,860	31,693	-	31,693	132,426	
Student services		2,174	843	3,017	-	3,017	17,401	
Office expense		6,768	4,847	11,615	1,512	13,127	16,747	
Depreciation and amortization		29,008	20,774	49,782	6,482	56,264	48,557	
Other		3,612	2,586	6,198	38,320	44,518	12,196	
		<u>\$ 2,133,241</u>	<u>\$ 1,479,123</u>	<u>\$ 3,612,364</u>	<u>\$ 542,886</u>	<u>\$ 4,155,250</u>	<u>\$ 4,164,576</u>	

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021
(With Comparative Totals For 2020)

	<u>Year ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 157,478	\$ 266,497
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	56,264	48,557
Interest expense included in notes payable	9,324	-
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(31,802)	(21,924)
Prepaid expenses	10,606	(8,968)
Accounts payable	40,308	(14,864)
Accrued payroll and benefits	115,938	(155,060)
Deferred lease liability	<u>(14,935)</u>	<u>(14,780)</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	343,181	99,458
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>(41,415)</u>	<u>(27,523)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(41,415)</u>	<u>(27,523)</u>
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Borrowings on notes payable	<u>150,000</u>	<u>537,906</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>150,000</u>	<u>537,906</u>
NET INCREASE IN CASH AND RESTRICTED CASH	451,766	609,841
Cash and restricted cash at beginning of year	<u>818,666</u>	<u>208,825</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,270,432</u>	<u>\$ 818,666</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

STATEMENT OF CASH FLOWS, Cont'd

YEAR ENDED JUNE 30, 2021
(With Comparative Totals For 2020)

	<u>Year ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash	\$ 1,195,432	\$ 743,666
Cash in escrow	75,000	75,000
	<u>\$ 1,270,432</u>	<u>\$ 818,666</u>
<u>NON-CASH OPERATING AND INVESTING ACTIVITIES</u>		
Accrued interest included in notes payable	<u>\$ 9,324</u>	<u>\$ -</u>

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

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Comparative Totals For 2020)

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

The Charter School

Harbor Science and Arts Charter School (the “Charter School”), is an education corporation operating as a charter school in New York, New York. The Charter school opened in 2000 with a charter granted by the Board of Regents of the University of the State of New York. On May 25, 2017, 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 July 31, 2022 and renewable upon expiration.

The Charter School’s mission is to provide students with a high-quality education through a rigorous academic program that infuses character building, physical wellness and the arts. Students will graduate with the skills and knowledge necessary to succeed in higher learning institutions and have the capability to make a positive contribution to society.

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 did not have net assets with donor restrictions at June 30, 2021. The Charter School had net assets with donor restrictions of \$25,000 at June 30, 2020.

Revenue 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.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

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

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

Public school district revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns public school district 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 Charter 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:

	June 30,		
	2021	2020	2019
Grants and other receivables	\$ 49,459	\$ 69,483	\$ -

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.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

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, 2021 and 2020, respectively. The Charter School received cost-reimbursement grants of approximately \$15,100 and \$14,800 that have not been recognized at June 30, 2021 and 2020, respectively, 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 FDIC up to \$250,000 at that institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Cash in escrow

The Charter School maintains cash in an escrow account, pursuant to its Charter Agreement, to pay off expenses in the event of dissolution of the Charter School. The amount in escrow was \$75,000 at June 30, 2021 and 2020.

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. There were no allowance for doubtful accounts at June 30, 2021 and June 30, 2020.

Property and equipment

Property and equipment are recorded at cost. Depreciation is 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 fifteen years. Leasehold improvements are being amortized over the term of the lease.

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

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

Deferred lease liability

The Charter School leases its facility. The lease contains pre-determined fixed escalations of the base rent. In accordance with GAAP, the Charter School recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts paid under the lease as a deferred lease liability.

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, 2018 through June 30, 2021 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Contributed services

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

In-kind contributions

Gifts and donations other than cash are recorded at fair market value at the date of contribution. There were no in-kind contributions received during the years ended June 30, 2021 and 2020.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$4,700 and \$18,900 for the years ended June 30, 2021 and 2020, 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.

Comparatives for year ended 2020

The financial statements include certain prior year summarized comparative information in total but not by net asset 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 the Charter School's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

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

New accounting pronouncements

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.

Gifts-in-kind

In September 2020, the FASB issued a new accounting update to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind. The update requires not-for-profit entities to present contributed nonfinancial assets separately on the statement of activities, apart from contributions of cash and other financial assets. In addition, the update requires not-for-profit entities to disclose in the notes to the financial statements a breakout of the different types of gifts-in-kind recognized, any donor restrictions associated with the gift, the valuation technique(s) used to arrive at the fair value measure, whether or not the gift-in-kind was monetized, and any policies on monetization. The update is effective for fiscal years beginning after June 15, 2021 and will be applied on a retrospective basis. The Charter School is currently evaluating the provisions of this update to determine the impact it will have on the Charter School’s financial statements.

Reclassifications

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

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 28, 2021, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

NOTE B: LIQUIDITY AND AVAILABILITY

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

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

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a 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 2021 and 2020.

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

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash	\$ 1,195,432	\$ 743,666
Grants and other receivables	<u>198,088</u>	<u>166,286</u>
Total financial assets available within one year	1,393,520	909,952
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	<u>-</u>	<u>(25,000)</u>
Total amounts unavailable for general expenditures within one year	<u>-</u>	<u>(25,000)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 1,393,520</u>	<u>\$ 884,952</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

NOTE C: NET ASSETS

Net assets without donor restrictions are as follows:

	<u>June 30</u>	
	<u>2021</u>	<u>2020</u>
Undesignated net assets	\$ 391,161	\$ 193,834
Invested in property and equipment	<u>262,607</u>	<u>277,456</u>
	<u>\$ 653,768</u>	<u>\$ 471,290</u>

Net assets with donor restrictions consist of the following:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Technology	\$ -	\$ 25,000

NOTE D: SCHOOL FACILITY

Effective July 1, 2013, the Charter School entered into a fifteen-year lease for its facilities through June 30, 2028. The Charter School's base rent for the year ended June 30, 2021 was \$408,160. The base rent will increase in accordance with the lease agreement. Rent expense totaled \$393,220 for both the years ended June 30, 2021 and 2020.

The future minimum payments on this agreement are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 408,163
2023	408,163
2024	408,163
2025	408,163
2026	408,163
Thereafter	<u>816,327</u>
	<u>\$ 2,857,142</u>

In conjunction with this facility lease, the Charter School paid a security deposit of \$30,000, which is included on the accompanying statement of financial position at June 30, 2021 and 2020.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

NOTE E: OPERATING LEASE

The Charter School leased office equipment under a non-cancelable lease agreements expiring at various dates through March 2025. Lease expense was approximately \$29,000 and \$28,000 for the years ended June 30, 2021 and 2020, respectively. The future minimum payments on these agreements are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 19,569
2023	804
2024	804
2025	<u>536</u>
Total	<u>\$ 21,713</u>

NOTE F: RETIREMENT PLAN

The Charter School sponsors a 403(b) retirement plan covering all regular employees. The Plan allows for the Charter School to make a discretionary employee matching contribution.

The Charter School did not make any contributions for the years ended June 30, 2021 and 2020.

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, 2021 and 2020, approximately 98% and 95%, respectively, of grants and other receivables are due from New York State relating to certain grants.

For the years ended June 30, 2021 and 2020, 93% of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located.

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

NOTE I: FUNCTIONAL EXPENSES

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

NOTE J: NOTES PAYABLE

In response to the COVID-19 outbreak, in April 2020, the Charter School applied for and was approved by a bank for a loan of \$537,906 through the Paycheck Protection Program (PPP) established by the Small Business Administration. The loan has a maturity of 2 years and an interest rate of 1%. The loan has the potential for forgiveness provided certain requirements are met by the Charter School. The loan was funded in May 2020. Accrued interest at June 30, 2021 for the PPP loan is \$5,580, for a total amount due of \$543,757 at June 30, 2021. Due to the potential for forgiveness, the entire balance, including accrued interest, is presented as long-term on the accompanying statement of financial position at June 30, 2021 and 2020.

On August 29, 2020, the Charter School received a \$150,000 Economic Injury Disaster Loan (EIDL) through the Small Business Administration (SBA). The loan requires monthly payments of \$641, including principal and interest, beginning twelve months from the date of the loan through the loan's maturity date which is thirty years from the date of the loan. On March 16, 2021, the SBA announced payments will not be required prior to March 31, 2022, making the Charter School's first payment due April 2022. Interest will accrue at a rate of 2.75% per annum, including through the extended deferment period. The Charter School has not made any payments on the loan as of June 30, 2021. Accrued interest as of June 30, 2021 for the EIDL is \$3,473, for a total amount due of \$153,473 at June 30, 2021.

Estimated annual maturities of the EIDL note payable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 848
2023	3,450
2024	3,546
2025	3,645
2026	3,747
Thereafter	138,237
	<u>\$ 153,473</u>

HARBOR SCIENCE AND ARTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2021

(With Comparative Totals For 2020)

NOTE K: 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 beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Charter School has recognized \$75,600 of revenue relative to ESSER grants during the year ended June 30, 2021.

NOTE L: RENEWAL PROCESS

The Charter School is currently in the process of renewing its charter as granted by the New York State Board of Regents. The Charter currently expires July 31, 2022. The renewal process includes review by the Board of Regents of the University of the State of New York Charter Schools Institute (“CSI”) of various operational and governance aspects, including fiscal health and internal controls, board governance and academic performance. The Charter School has submitted its application for renewal. Upon review of the application and results, CSI will determine if the charter should be renewed and if so, for how long. Successful charter renewals can range from one to five years. At this time management of the Charter School expect the charter to be renewed.

HARBOR SCIENCE AND ARTS 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
Harbor Science and Arts Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harbor Science and Arts Charter School, which comprise the statement of financial position as of June 30, 2021 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, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harbor Science and Arts 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 Harbor Science and Arts Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Harbor Science and Arts Charter School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harbor Science and Arts 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, 2021



**Harbor Science and Arts Charter School
School Board Meeting
Date: July 26, 2022**

6:00 p.m. Via Zoom

<https://us02web.zoom.us/j/89581480526?pwd=cnNTZ0luOTBBcEdzNktpc1d0MSszdz09>

Agenda Items	Who	Estimated Time
Opening Remarks	Phil	1 minutes
School Report and Discussion <ul style="list-style-type: none">• Enrollment and marketing• Staffing and organization• Return of students and building preparation• Educational consultants update?• Annual Report update• Other	Kelly	30 minutes
Finance Committee Report	Lisa	5 minutes
Governance <ul style="list-style-type: none">• Establish FY2023 Board meeting dates• Strategy Session	Phil	10 minutes

Next Scheduled Board Meeting Dates:

- TBD

Full-Term Renewal with Conditions

Meet or exceed three out of six key Accountability Plan measures, as identified by the Institute and in the charter's Accountability Plan, for ELA and mathematics in at least three years of the upcoming Accountability Period for 3rd – 8th grade;

- Beginning in the 2022-23 school year, report to the Institute each year the progress and results of implementing the charter's strategic plan that focuses on improving performance for all student groups;*
- **Beginning in the 2022-23 school year, engage an external consultant to conduct an annual evaluation of the charter's program using the Institute's benchmarks (or an alternative framework approved by the Institute) and report findings by July 31 each year to the Harbor Science board and the Institute;***
- Beginning in the 2022-23 school year, maintain a minimum billable enrollment of no less than 80% of proposed charter enrollment each school year as follows: charter term year one minimum enrollment of 175; year two minimum enrollment of 186 students; year three minimum enrollment of 191; year four minimum enrollment of 194; and, year five minimum enrollment of 198 students; and,*
- **By December 31, 2022, all board members will complete governance training, conducted by an external consultant(s)/group, accepted and approved in advance by the Institute. This training shall include the topics of roles and responsibilities of a charter school education corporation board of trustees including school leader evaluation, and stakeholder communication.***

Harbor Science & Arts Charter School

Financial Snapshot, June, 2022

Through June, the school recognized revenues of \$5,267,888. Through year end, the school is projecting to recognize revenues of \$5,334,316 which is now higher than budgeted, mainly due to forgiveness of the school's PPP Loan (principal and interest) offset by an overall decrease in general education per pupil enrollment and revenue and decrease in overall ARP funding in FY '22.

Expenses through June are lower than originally anticipated, with the school incurring \$4,708,005 in expenses. Projections to personnel have been updated based on the staffing plan for the closed-out FY '22. Based on the projections that were updated, through year-end, the school is anticipating coming under budget on expenses by \$306,815, which is approximately 1% lower than originally budgeted. This is mainly due to savings in personnel due to vacated positions, offset by the addition of financial management services, an increase in academic consultant services to replace vacated positions, student recruitment and staff development.

Although there is a significant loss in revenue due to the lower enrollment, the forgiveness of the PPP loan updates the current projections to anticipate a net income of \$315,497 for the current year.

Projected days of cash on hand to meet its operating expenditures without any additional revenue is currently at 36, which is inclusive of cash received in EIDL Loans. If excluding EIDL loan from the cash on hand, the school would have approximately 26 days of cash on hand. Additionally based on cash balances as of June 30th, anticipated revenues and expenses and current receivables and payables, the school's projected cash balance at the end of the fiscal year would be \$552,463, assuming the EIDL Loan would not be forgiven to be conservative.



Harbor Science & Arts Charter School

Financial Summary

For Period ended June 30, 2022

LIQUIDITY	Cash in Bank	\$ 459,119	Operating Accounts
	Cash in Bank	\$ 501,468	Total All Accounts (less escrow account)
	SBA EIDL Loan	\$ 150,000	
	Projected days cash on hand	36 days the school can meet operating expenses without any additional revenue	
	Projected days cash on hand	26 days the school can meet operating expenses without any additional revenue (assuming loan not forgiven).	

ENROLLMENT		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	General Education	187.925	220.00	-32.075	\$	3,165,408.70	\$ 3,705,680.00	\$ (540,271.30)
	SpEd							
	0-20%		0.00	0.000	\$	-	\$ -	\$ -
	20-59%	10.55	2.00	8.550	\$	109,614.50	\$ 20,780.00	\$ 88,834.50
	>60% - Over (ICT)	30.6	35.00	-4.400	\$	582,899.40	\$ 666,715.00	\$ (83,815.60)
Total SpEd	41.15	37	4.15	\$	692,513.90	\$ 687,495.00	\$ 5,018.90	

BALANCE SHEET	Total Current Assets:	\$ 1,223,879	<u>Current Ratio</u>
	Total Current Liabilities:	\$ 85,756	Low Risk: > 3.0
	Working Capital (Current) Ratio	14.27	Medium Risk: 1.4-2.9
			High Risk: < 1.4
	Total Assets:	\$ 1,542,540	<u>Debt Ratio</u>
	Total Liabilities:	\$ 328,887	Good: <1.0
Debt Ratio	0.21	Risky: >1.0	
Total Net Assets:	\$ 1,213,652		

BUDGETING/REVENUE & EXPENSES		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	Total Revenue YTD:	\$ 5,267,888.18	\$ 5,331,766.85	(\$63,879)
	Total Expenses YTD:	\$ (4,708,005.35)	\$ (5,321,133.09)	\$613,128
	Net Operating Surplus(Deficit)	\$ 559,882.83	\$ 10,633.76	\$549,249
		<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
	Annual Projected Revenue:	\$ 5,334,315.66	\$ 5,331,766.85	\$2,549
	Annual Projected Expenses (before depreciation)	\$ (4,951,115.74)	\$ (5,275,633.09)	\$324,517
	Projected Net Operating Surplus (Deficit) before Depreciation	\$ 383,199.92	\$ 56,133.76	\$ 327,066.16
	Annual Projected Depreciation:	\$ (67,702.47)	\$ (50,000.00)	\$ (17,702.47)
	Projected Net Operating Surplus (Deficit) after Depreciation	\$ 315,497.45	\$ 6,133.76	\$ 309,363.69
	Capital Expenditure Requirements	93,754	-	93,754
	Total Cash Expenditures	\$ (4,857,361.48)	\$ (5,275,633.09)	\$418,272
	Revenue Per Pupil:	\$ 28,385.34	\$ 24,235.30	\$4,150
Expenditure Per Pupil:	\$ 26,706.50	\$ 24,207.42	\$2,499	



Harbor Science & Arts Charter School

Balance Sheet

As of June 30, 2022

ASSETS	Total	Comments
Current Assets		
Bank Accounts		
1000 Cash		
1006 TD Checking - Operating 5832	415,567.59	
1007 TD Checking - Payroll 5668	43,551.46	
1008 TD Savings - Fundraising 4173	42,348.87	
1009 TD Savings - Escrow	75,000.00	
Total 1000 Cash	\$ 576,467.92	
1072 Bill.com Money Out Clearing	-573.51	
Total Bank Accounts	\$ 575,894.41	
Other current assets		
Accounts Receivable		
1101 Grants Receivable	519,451.63	Title (I, II and IV), ESSER (I and II) and ARP
1102 Other Receivables	0.00	
Total Accounts Receivable	\$ 519,451.63	
Other Current Assets		
1103 Prepaid Expenses	526.00	FY '23 General Liability insurance paid in June 2022 for the year and July health insurance benefits prepaid in June.
1104 Prepaid Insurance	120,914.70	
1105 Sales Tax Receivables	2,780.73	
1107 Misc. Receivables	4,311.96	
Total 1400 Prepaid Expenses	\$ 128,533.39	
Total Other current assets	\$ 128,533.39	
Total Current Assets	\$ 1,223,879.43	
Fixed Assets		
1500 Furniture, Fixtures & Equipment		
1501 Office Furniture	4,281.44	
1502 Classroom Furniture	47,743.18	
1503 Computer Equipment	216,489.53	
1504 Classroom Equipment	22,668.18	
1505 Software (capitalized)	0.00	
1506 Musical Instruments (capitalized)	0.00	
1507 Leasehold Improvements	352,192.14	
1508 Construction in Progress	0.00	
1509 Office Equipment	28,288.05	
1510 Leasehold Improvements - In-Kind	25,951.97	
1511 Computer Equipment - In-Kind	3,615.40	
1512 In-Kind Classroom Equipment	20,856.75	
Total 1500 Furniture, Fixtures & Equipment	\$ 722,086.64	
1700 Accumulated Depreciation	-406,777.47	
1701 A/D - Office Furniture	-26,649.00	
Total 1700 Accumulated Depreciation	-\$ 433,426.47	
Total Fixed Assets	\$ 288,660.17	
Other Assets		
1900 Other Assets		
1901 Deposits	30,000.00	
Total 1900 Other Assets	\$ 30,000.00	
Total Other Assets	\$ 30,000.00	
TOTAL ASSETS	\$ 1,542,539.60	
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	66,896.44	
Total Accounts Payable	\$ 66,896.44	
Other Current Liabilities		
2100 Accrued Expenses	348.08	Employee 403B payroll deductions
2200 Accrued Payroll	39.04	
2250 Accrued Payroll Taxes	0.00	
2260 FSA/Dependent Care Payable	2,559.12	Utilization of FSA cards
2300 Misc Payables	15,677.60	
2400 Unearned/Deferred Revenue	0.00	
2401 Deferred Grant Revenue	0.00	
2500 Other Current Liabilities	235.97	
2600 Due To Related Party	0.00	
Total Other Current Liabilities	\$ 18,859.81	
Total Current Liabilities	\$ 85,756.25	



Harbor Science & Arts Charter School

Balance Sheet

As of June 30, 2022

	<u>Total</u>	<u>Comments</u>
Long-Term Liabilities		
2700 Long Term Liabilities		
2701 Deferred Rent	89,658.00	Deferred Rent recorded annually - balance at 6/30/22 expected to be reduced to \$90k
2702 Loan Payable	150,000.00	EIDL Loan (\$150k);
2703 Interest Payable	3,473.00	EIDL Loan Interest
Total 2700 Long Term Liabilities	<u>243,131.00</u>	
Total Long-Term Liabilities	<u>\$ 243,131.00</u>	
Total Liabilities	<u>\$ 328,887.25</u>	
Equity		
3100 Net Assets		
3200 Restricted Net Assets	25,000.00	
3500 Net Assets w/out Restriction	628,769.52	
Net Income	559,882.83	
Total Equity	<u>\$ 1,213,652.35</u>	
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,542,539.60</u>	



Harbor Science & Arts Charter School

Budget vs. Actuals

Fiscal Year Ending 6/30/2022

YTD Through 6/2022

	YTD Through 6/2022			Annual			Comments
	Actual	Budget	B/(W)	Forecast	Budget	B/(W)	
Income							
4000 State Grants	3,874,547	4,410,683	(536,136)	3,875,547	4,410,683	(535,136)	Budget based on 220 Gen Ed students with an allocation of \$16,844. Projection based on FTE of 187.925 students per the May per pupil invoice. Budget based on 2 students categorized as 20-60% and 35 students categorized as 60%+. Projection based on 10.55 students in the 20% - 60% category and 30.6 students in the 60%+ category per May per pupil invoice.
4100 Federal Grants	822,557	911,584	(89,028)	887,984	911,584	(23,600)	Projection to Federal Grants updated based on review of all eligible expenses incurred, noting a decrease in eligible ARP funding based on incurring less eligible expenditures in FY '22 than anticipated. The school also received an Emergency Operational Cost Funding from the Federal Child Nutrition program related to FY '21 and will recognize the remainder of the first round of ESSER funding not used in FY '21, which wasn't budgeted for. (\$15k). Projection also includes additional ARP for Homeless Children & Youth Grant and also includes slight increase in Title allocations due to available carryover of funds from FY '21.
4200 Contributions & Donations	21,641	-	21,641	21,641	-	21,641	Projection updated based on actual contributions received to date and includes \$10k donation from Ariel Investments. Contributions were not budgeted for.
4400 Fundraising	1,364	9,500	(8,136)	1,364	9,500	(8,136)	
4500 Interest Income	-	-	-	-	-	0	School's bank accounts are non-interest bearing
4700 Other Revenue	547,780	-	547,780	547,780	-	547,780	PPP Loan Principal & Interest Forgiven on 3/25/22
Total Revenue	<u>5,267,888</u>	<u>5,331,767</u>	<u>(63,879)</u>	<u>5,334,316</u>	<u>5,331,767</u>	2,549	Now projecting increase in revenues mainly due to forgiveness of PPP Loan, offset by decreases in revenue due to lower Gen Ed and SpEd enrollment.
Expenses							
5000 Administrative Personnel Costs	426,727	521,628	(94,901)	433,214	521,628	88,414	Reduction in projection due to vacated position not filled during the year (Academic Support Administrator).
5100 Instructional Personnel Cost	1,936,335	2,407,060	(470,724)	2,180,062	2,407,060	226,997	Reduction in projection mainly due to vacated positions later filled in during the year (Assistant Dean of Students, Wellness Teacher and Grade 1 ICT Teacher). Projection also reflects positions that were vacated and not filled during the year. (Finance Manager, In-House Faciliator, Grade 5 Instructor, Grade 6 ICT and school counselor).
5200 Non-Instructional Staff Personnel	224,368	234,634	(10,266)	232,057	234,634	2,577	Savings mainly due to start date of second maintenance engineer.
5250 Bonuses & Stipends	124,645	137,820	(13,175)	127,831	137,820	9,989	Overall decrease in stipend mainly due to decrease in hourly test prep stipends.
5300 Payroll Taxes	227,396	284,037	(56,641)	257,798	284,037	26,239	Decrease in payroll taxes in line with decrease in compensation.
5400 Employee Benefits	416,623	459,348	(42,724)	417,318	459,348	42,030	Currently projecting savings in Employee Benefits based on actual enrollments, specifically health insurance which includes HRA Reimbursements.
5500 Retirement & Pension	2,380	4,020	(1,640)	2,430	4,020	1,590	



Harbor Science & Arts Charter School

Budget vs. Actuals

Fiscal Year Ending 6/30/2022

YTD Through 6/2022

	YTD Through 6/2022			Annual			Comments
	Actual	Budget	B/(W)	Forecast	Budget	B/(W)	
6000 Professional Services/Contracted	255,809	122,300	133,509	286,202	122,300	(163,902)	Projecting over budget due to addition of CSBM for financial management services for September - December and anticipated January - June, as well as in increase in SpEd consultant to take over some responsibilities of vacated Academic Support Administrator.
6100 Board Expenses	332	500	(168)	332	500	168	
6200 Classroom & Teaching Supplies	19,113	31,671	(12,557)	19,113	31,671	12,558	Decrease in Classroom Supplies and Materials and FAMIS Projection based on utilization of actual allocation has net-zero impact on overall financials. Slight savings in Textbooks & Workbooks and FAMIS Projection based on actual allocation, has net-zero impact on overall financials.
6400 Textbooks & Workbooks	46,403	50,337	(3,934)	46,403	50,337	3,934	
6500 Supplies & Materials Other	554	2,200	(1,646)	554	2,200	1,646	An overall decrease in library supplies/books. School does not anticipate purchasing additional assessment materials. Projection for assessment scoring remains unchanged.
6600 Student Testing & Assessment	4,557	6,500	(1,943)	5,500	6,500	1,000	
6700 Field Trips & Events	4,084	8,000	(3,916)	6,409	8,000	1,592	School anticipates decrease in expenditures for assemblies and programs for the year.
6800 School Meals/Lunches	196,938	249,556	(52,618)	199,648	249,556	49,908	Overall savings in costs associated with main food vendor Butter Beans for the year compared to budget, likely due to less meal served (as a result of lower enrollment).
6900 Student Services	6,096	9,700	(3,604)	7,200	9,700	2,500	Savings on purchasing of uniforms and parent outreach
7000 Office Expenses	25,362	23,500	1,862	27,565	23,500	(4,065)	An overall increase office supplies, printing and copying needs and meeting/team building expenses. Projection updated based on copy machine lease agreement and decrease in equipment purchases.
7100 Equip. & Furniture (non-capitalized)	21,214	28,228	(7,014)	21,214	28,228	7,014	
7200 Telephone	1,075	3,900	(2,825)	3,900	3,900	0	
7300 Technology	23,196	32,480	(9,284)	28,155	32,480	4,325	
7400 Staff Development	19,384	11,200	8,184	19,384	11,200	(8,184)	Increase in PD with Great Minds
7500 Recruitment	15,932	5,500	10,432	18,609	9,000	(9,609)	Increased projection related to principal search and advertisements for student
7600 Mailing Advertising & Services	-	-	-	-	1,000	1,000	Savings due to no spending
7700 Staff Travel	4,734	4,500	234	4,734	4,500	(234)	
7800 Fundraising Expense	-	1,000	(1,000)	-	1,000	1,000	Savings due to no spending
7900 Other OTPS	28,565	36,166	(7,601)	32,504	36,166	3,662	Debit card transactions to be reclassified.
8000 Insurance	41,255	61,025	(19,770)	41,255	61,025	19,770	Based on actual premiums for the year.
8100 Facility Operations & Maintenance	567,224	534,324	32,900	531,724	534,324	2,600	Projection updated based on rent of \$34,013 per month and kitchen lease of \$1,500 offset by decrease in deferred rent. Anticipating slight overage in repairs and maintenance.
8200 Depreciation & Amortization	67,702	50,000	17,702	67,702	50,000	(17,702)	Updated projection based on true depreciation on current fixed assets on hand.
9100 Bad Debts/Write-Off	-	-	-	-	-	-	Depreciation recorded quarterly through March 2022.
Total Expenses	4,708,005	5,321,133	(613,128)	5,018,818	5,325,633	306,815	
NET INCOME	559,883	10,634	549,249	315,497	6,134	309,364	

Harbor Science & Arts Charter School

Cash Flow Projection as of June, 2022

	Projected Feb 19 - June 19	July + Subsequent FY22-23 Items
Beginning Cash Balance (Operating Account)		501,468
Projected Cash Receipts from Operations		58,589
Projected Cash Disbursements from Operations		(310,640)
Net Cash from Operations		(252,051)
Cash Receipts from Accounts & Misc Receivables (not included in revenue)		523,764
Cash Disbursements for Accounts Payable & Accrued Expenses		(67,245)
Capital Expenditures		-
Notes Payable (PPP & EIDL)		(153,473)
Ending Cash Balance (Operating Account)		552,463



Harbor Science and Arts Charter School
SY 2022-2023 Calendar

August

- **August 15**-Administration Returns
- **August 17**-Office/Maintenance Returns-August 17
- **August 22-August 30**- HSACS Staff Pre-Service

September

- **September 7** – **First Day of School**
- **September 14** – **Early Dismissal 2pm** (Staff Professional Development)
- **September 21** – **Early Dismissal 2pm** (Staff Professional Development)
- **September 28** – **Early Dismissal 2pm** (Staff Professional Development)

October

- **October 5** – **Early Dismissal 2pm** (Staff Professional Development)
- **October 10** – **School Holiday – NO SCHOOL (Indigenous People’s Day)**
- **October 12** – **Early Dismissal 2pm** (Staff Professional Development)
- **October 19** – **Early Dismissal 2pm** (Staff Professional Development)
- **October 26** – **Early Dismissal 2pm** (Staff Professional Development)

November

- **November 2** – **Early Dismissal 2pm** (Staff Professional Development Day)
- **November 8** – **NO SCHOOL FOR STUDENTS -Election Day** (Staff Meeting)
- **November 9** – **Early Dismissal 2pm** (Staff Professional Development Day)
- **November 11** –**School Holiday- NO SCHOOL – (Veterans Day)**
- **November 16** – **Early Dismissal 2pm** (Staff Professional Development)
- **November 22** – **12pm Dismissal** (Parent/Teacher Conference Day)
- **November 23-25** – **School Holiday – NO SCHOOL – Return to School – Monday, November 28**
- **November 30** – **Early Dismissal 2pm** (Staff Professional Development)

December

- **December 7** – **Early Dismissal 2pm** (Staff Professional Development)
- **December 14** –**Early Dismissal 2pm** (Staff Professional Development)
- **December 21** – **Early Dismissal 2pm** (Staff Professional Development)
- **December 23-January 2** – **School Holiday – NO SCHOOL**

January

- **January 3**-**Students and Staff - RETURN TO SCHOOL**
- **January 4** – **Early Dismissal 2pm** (Staff Professional Development)
- **January 11** – **Early Dismissal 2pm** (Staff Professional Development)
- **January 17** – **School Holiday – NO SCHOOL (MLK Jr. Day)**
- **January 18** – **Early Dismissal 2pm** (Staff Professional Development)
- **January 25** – **Early Dismissal 2pm** (Staff Professional Development)

February

- **February 1** – **Early Dismissal 2pm** (Staff Professional Development)

- **February 8 – Early Dismissal 2pm** (Staff Professional Development)
- **February 5 – Early Dismissal 2pm** (Staff Professional Development)
- **February 20-24 – School Holiday – NO SCHOOL - Return to School – Monday, February 27**

March

- **March 1 – Early Dismissal - 2pm** (Staff Professional Development)
- **March 8 – Early Dismissal - 2pm** (Staff Professional Development)
- **March 15 – Early Dismissal - 2pm** (Staff Professional Development)
- **March 16 - 12pm Dismissal** (Parent/Teacher Conference Day)
- **March 17 – Early Dismissal - 2pm** (Staff Professional Development)

April

- **April 5 - 14 – SPRING BREAK – NO SCHOOL- Return to School – Monday, April 17**
- **April 19 – Early Dismissal - 2pm** (Staff Professional Development)
- **April 21 – School Holiday – NO SCHOOL- (EID)**
- **April 26 – Early Dismissal - 2pm** (Staff Professional Development)

May

- **May 3 - Early Dismissal - 2pm** (Staff Professional Development)
- **May 10 - Early Dismissal - 2pm** (Staff Professional Development)
- **May 17 - Early Dismissal - 2pm** (Staff Professional Development)
- **May 24 - Early Dismissal - 2pm** (Staff Professional Development)
- **May 29 – School Holiday – Memorial Day NO SCHOOL**
- **May 31 - Early Dismissal - 2pm** (Staff Professional Development)

June

- **June 16– 8th Grade Graduation-No School for Students (Staff Benefits Meeting)**
- **June 19 – School Holiday- Juneteenth**
- **June 27 – Last Day of School for Students**
- **June 29 – Last Day of Instructional Staff**
- **June 30 – Last Day for Administration, Office, and Maintenance**

Harbor Science & Arts Charter School 2022-2023 Budget

FY 2021-2022		FY 2022-2023	
General Enrollment	220.00	General Enrollment	202.5
SPED 20% 60%	2.00	SPED 20% 60%	5.00
SPED 60%+ (ICT)	35.00	SPED 60%+ (ICT)	43.00
BUDGET		BUDGET	
		Salary 3% Increase	

COMMENTS, NOTES & ASSUMPTIONS

Income				
4000 State Grants				
4001 Per Pupil General Education	3,705,680.00	3,569,265.00		
4002 Per Pupil Special Education	687,495.00	871,057.00		
4005 NYSTL (non cash)	12,837.00	12,474.00		
4006 NYSSL (non cash)	3,295.60	3,199.50		
4007 NYSLIB (non cash)	-	-		
4009 State Food Program	-	5,000.00		
Total 4000 State Grants	4,409,307.60	4,460,995.50		
4100 Federal Grants				
4101 IDEA Special Needs	42,000.00	43,000.00		
4102 Title I	79,349.00	79,349.00		
4103 Title IIA	9,305.00	8,794.00		
4104 Title Other	10,000.00	10,000.00		
4106 E Rate	28,757.65	12,138.98		
4107 Federal Grants Other	210,960.00	210,000.00		
4110 ESSER Funding				
4111 ESSER II Funding	175,830.22	117,012.67		
4112 ARP Funding	355,382.44	228,250.00		
Total 4100 Federal Grants	911,584.31	708,544.65		
4400 Fundraising				
4401 Fundraising General	5,000.00	5,000.00		
4406 Matching Gifts	1,000.00	1,000.00		
4407 Annual Appeal	3,500.00	3,500.00		
Total 4400 Fundraising	9,500.00	9,500.00		
4500 Interest Income				
4501 Interest in bank	-	-		
Total 4500 Interest Income	-	-		
4700 Other Revenue				
Total Income	5,330,391.91	5,179,040.15		
Gross Profit	5,330,391.91	5,179,040.15	11%	-3% <i>Percentage decrease in income</i>
Expenses				
5000 Personnel				
5000 Administrative Personnel Costs				
5001 Instructional Management	521,628.00	457,349.84		
5002 Directors & Deans	-	40,000.00		
5003 Operations/Business Management	-	100,000.00		
5004 Administrative Support	-	-		
Total 5000 Administrative Personnel Costs	521,628.00	597,349.84		
5100 Instructional Personnel Cost				
5101 Teachers Regular	1,159,669.60	918,020.80		
5102 Teachers Special Ed	794,880.00	843,356.44		
5103 Substitute Teacher	2,500.00	-		
5104 Associate Teachers	99,450.00	106,553.50		
5105 Specialty Teachers	-	282,901.86		
5106 Classroom Aides	-	-		
5107 Pupil Services	-	-		
5108 Therapists & Counselors	350,560.00	56,650.00		
Total 5100 Instructional Personnel Cost	2,407,059.60	2,277,482.60		
5200 Non Instructional Staff				
5202 Bus Attendant	-	-		
5203 Custodian	63,024.00	65,557.44		
5204 Culinary Staff	40,698.00	41,918.94		
5205 Security/Building Operations	64,611.90	66,550.26		
5207 Technology	66,300.00	75,499.00		
Total 5200 Non Instructional Staff Personnel	234,633.90	249,525.64		
5250 Bonuses & Stipends				
5253 Stipends	137,820.00	95,920.00		
Total 5250 Bonuses & Stipends	137,820.00	95,920.00		
Total Personnel	3,301,141.50	3,220,278.08		
5300 Payroll Taxes				
5302 Social Security ER Exchange	204,670.77	199,657.24		
5304 Medicare ER Exchange	47,866.55	46,694.03		
5305 NYS SUI	31,500.00	23,376.15		
Total 5300 Payroll Taxes	284,037.32	269,727.42		
5400 Employee Benefits				
5401 Health	396,755.33	394,301.34		
5402 Dental	18,400.00	20,048.22		
5403 Workers Compensation	18,100.13	16,670.40		
5404 Life, Disability	16,671.38	15,528.00		
5405 Transit Check Fees	1,200.00	1,200.00		
5406 Transit Check Exchange	-	-		
5409 AFLAC pre tax clearing	-	-		
5410 AFLAC post tax clearing	-	-		
5412 Paid Family Leave	8,220.96	-		
5413 Vision	459,347.80	447,747.96		
Total 5400 Employee Benefits	1,000,000.00	990,000.00		
5500 Retirement & Pension				
5503 403(B) Fees	4,020.00	2,400.00		
Total 5500 Retirement & Pension	4,020.00	2,400.00		
Total 5000 Personnel	4,048,546.62	3,940,153.46	76%	76%
6000 Professional Services/Contracted				
6001 Accounting & Audit Fees	27,000.00	29,000.00		
6002 Legal Paid	5,000.00	-		
6005 Payroll Service Fees	11,800.00	10,300.00		
6006 Academic Consultants	71,000.00	16,900.00		
6007 Special Ed Consultants	-	60,000.00		
6009 Substitute services	4,000.00	-		
6010 Prof/Contracted Svcs Other	3,500.00	5,000.00		
6011 Financial Management Services	-	43,500.00		
Total 6000 Professional Services/Contracted	122,300.00	164,700.00		
6100 Board Expenses				
6101 Board Meeting Expenses	500.00	500.00		
6102 Board Development	-	8,000.00		
Total 6100 Board Expenses	500.00	8,500.00		
6200 Classroom & Teaching Supplies				
6201 Classroom Supplies & Materials	25,000.00	25,000.00		
6204 Art Supplies & Materials	500.00	250.00		

Proposed Per Pupil Enrollment for FY22/FY23 (202.5 pup ls @ \$17,626/pupil)
 Proposed FY21/22 (2 pupils @ \$10,390/pup l & 35 pupils @ \$19,049);
 Based on F21/22 allocation - \$61.60/pupil - (NYS Textbook Law)
 Based on F21/22 allocation - \$15.8/pupil - (NYS Software Law)
 Based on F21/22 allocation - \$6.60/pupil - (NYS Library)
 State Breakfast & Lunch at approximately \$500 per month for 10 months.

Based on \$1,000 per FTE over 60%

Preliminary FY '23 allocations haven't been released. Budget to remain flat to FY '22 for Title I, Part A

Preliminary FY '23 allocations haven't been released. Budget to remain flat to FY '22 for Title II, Part A

Preliminary FY '23 allocations haven't been released. Budget to remain flat to FY '22 for Title IV, Part A

Current E-Rate Commitment - BEN #22706 (Internet Access - \$12,138.98)
 Free and Reduced Price School Meals (FRPL) data will not be available until October 2021 to determine student eligibility status. The calculation is based on FY 22 reimbursement rates of approximately \$21k per month.

Based on FY21 projected fundraising revenues and proceeds from planned event(s)
 Based on FY21 projected fundraising revenues.
 Based on FY21 projected fundraising revenues.

School's bank accounts are non-interest bearing

All salaries with proposed 3% increase
 Includes school's Principal, AP, Academic Dean, Academic Support admin, Operations Administrator.
 Recommended to break out Deans for easier accurate reporting to SUNY on SUNY reports. In FY '22 this was budgeted under 5107 Pupil Services.
 Recommended to break out Human Resources & Finance for easier accurate reporting to SUNY on SUNY reports. In FY '22 Finance was budgeted under 5107 Pupil Services. Human Resources was not budgeted for in FY 22.

Based on 12 instructors. STEM, Music, Art and Wellness teachers previously budgeted here have been moved to GL 5105.
 Based on 11 SpEd Instructors.

Based on 2 for RTI Support

Based on 5 specialy teachers. Breaking out the specialty teachers (ESL, Music, We Inness PE) makes it easier for more accurate reporting to SUNY on SUNY reports). Previously budgeted for under 5101.

Based on 1 School Secretary/Parent Coordinator. PY Budget also included Assistant Dean, Social Worker, In-House Facilitator, STEM Program Instructor & Director of Finance. Applicable FY '23 positions have been reallocated to more appropriate GL accounts (Assistant Dean, 5002; Social Worker, 5108; STEM Program Instructor, 5105; Director of Finance, 5003).

Based on 1 school counselor/social worker. Recommended new GL Code to break out school counselors, therapists and social workers for easier accurate reporting to SUNY on SUNY reports. In FY 22 was budgeted under 5107 Pupil Services.

Based on 2 maintenance engineers.
 Based on 1 kitchen/cafe/teria supervisor
 Based on 1 building operations manager/security.
 Includes school's IT Manager

Stipends of \$91k includes \$10k discretionary to new principal. Potential retention bonuses \$130k.

6.2% of total personnel costs
 1.45% of total personnel costs
 School's current SUI rate is 4.525%. Assumes Wage base of \$12,300 at an SUI rate of 4.525% for 42 employees.

8.6% increase in costs, Budgeting for 24 Single/Individual; 5 Couple; 2 Family; and 3 Parent/Ch Id Plan.
 Projections Dental PPO (\$14,692) + Dental Pre-paid (\$5,355).
 Based on FY '22 WC policy with The Hartford Insurance (Term period 7/1/21 - 6/30/22) and renewal rate with Austin & Co.
 Rates did not change from FY 22. Staffing plan will reflect adjustments.
 Based on current rates for admin fee.
 Based on current rates for admin fee.
 100% of cost of AFLAC exclusively paid by employees who enroll.
 100% of cost of AFLAC exclusively paid by employees who enroll.

Vision 100% Employee Contribution

FY23 Budget based on \$200 per month.

FY22 Budget based on approximately \$350 payroll processing (26 pay periods), \$100 Time Close Services
 SUNY requires an external audit of academic programming. Budget based on proposal from Schoolwork
 Karen Cennema (\$60k) - Special Education Compliance
 FY '23 is proposing a long term substitute on payroll
 E-rate consultant
 Financial Management Services through October 2023 @ \$9k per month, plus title grant application.

Board Meetings may continue to be hosted via zoom. Depending on NYC Health and Safety Regulations.
 Required board compliance governance training. Budget based on proposal from Education Board Partners.

Based on FY22 projections.
 Based on FY '22 Projection

Harbor Science & Arts Charter School 2022-2023 Budget

	FY 2021-2022			FY 2022-2023		
	General Enrollment	220.00		General Enrollment	202.5	
	SPED 20%	60%	2.00	SPED 20%	60%	5.00
	SPED 60%+	(ICT)	35.00	SPED 60%+	(ICT)	43.00
	BUDGET			BUDGET		
6206 Phys. Ed. Supplies and Materials			1,500.00			1,000.00
6208 NYSSL			3,295.60			3,199.50
6209 NYSLIB			-			5,000.00
Total 6200 Classroom & Teaching Supplies			30,295.60			34,449.50
6400 Textbooks & Workbooks						
6401 Textbooks and Workbooks			37,500.00			25,000.00
6402 NYSTL			12,837.00			12,474.00
Total 6400 Textbooks & Workbooks			50,337.00			37,474.00
6500 Supplies & Materials Other						
6502 Library Supplies/Books			2,200.00			1,000.00
Total 6500 Supplies & Materials Other			2,200.00			1,000.00
6600 Student Testing & Assessment						
6601 Testing & Assessment Materials			999.87			500.00
6602 Testing & Assessment Scoring			5,500.00			3,944.50
Total 6600 Student Testing & Assessment			6,499.87			4,444.50
6700 Field Trips & Events						
6701 Field Trips			1,000.00			1,000.00
6702 Assemblies & Programs			7,000.00			6,000.00
Total 6700 Field Trips & Events			8,000.00			7,000.00
6800 School Meals/Lunches						
6801 Food Services			232,056.00			210,000.00
6802 Food Costs			17,500.00			17,500.00
Total 6800 School Meals/Lunches			249,556.00			227,500.00
6900 Student Services						
6901 Extended Day & Enrichment Programs			-			-
6902 Uniforms			1,000.00			500.00
6903 Parent Outreach & Education Programs			1,500.00			500.00
6905 Other Student Services			7,200.00			500.00
Total 6900 Student Services			9,700.00			500.00
7000 Office Expenses						
7001 Office Supplies			16,000.00			20,000.00
7002 Printing & Copying			4,000.00			5,500.00
7003 Postage & Shipping			1,000.00			500.00
7004 Meeting Expenses & Team Building			2,500.00			1,250.00
Total 7000 Office Expenses			23,500.00			27,250.00
7100 Equip. & Furniture (non capitalized)						
7101 Leased Equipment			21,728.00			21,728.00
7102 Equipment Purchases			2,500.00			1,000.00
7103 Furniture Purchases			4,200.00			1,000.00
Total 7100 Equip. & Furniture (non capitalized)			28,228.00			23,728.00
7200 Telephone						
7201 Telephone & Fax			3,900.00			3,900.00
Total 7200 Telephone			3,900.00			3,900.00
7300 Technology						
7301 Internet			12,000.00			12,000.00
7302 Technology Services			16,000.00			5,000.00
7303 Equipment (non capitalized)			700.00			500.00
7304 Software (non capitalized)			3,780.00			3,780.00
7305 Website Maintenance			32,480.00			21,280.00
Total 7300 Technology			64,860.00			26,760.00
7400 Staff Development						
7401 Administrative staff			3,000.00			3,000.00
7402 Instructional Staff			3,200.00			15,000.00
7404 Teacher Appreciation			5,000.00			5,000.00
Total 7400 Staff Development			11,200.00			23,000.00
7501 Staff Recruitment			4,500.00			3,000.00
7502 Student Recruitment						
7601 Mailing, Advertising & Services			1,000.00			5,000.00
Total 7500 Staff Travel			4,500.00			6,000.00
7700 Fundraising Expense						
7701 Fundraising General			1,000.00			1,000.00
Total 7700 Fundraising Expense			1,000.00			1,000.00
7900 Other OTPS						
7901 Bank Charges			300.00			200.00
7902 Interest/Late Charges			6,500.00			6,492.00
7903 Dues & Memberships			29,366.00			17,000.00
7905 Expense Suspense			-			-
Total 7900 Other OTPS			36,166.00			23,692.00
8000 Insurance						
8001 General Liability, Umbrella, D&O			61,025.00			45,000.00
Total 8000 Insurance			61,025.00			45,000.00
8100 Facility Operations & Maintenance						
8101 Rent			431,564.00			408,213.00
8102 Utilities			44,400.00			44,400.00
8103 Repairs & Maintenance			55,000.00			35,500.00
8107 Storage			3,360.00			3,600.00
Total 8100 Facility Operations & Maintenance			534,324.00			491,713.00
8200 Depreciation & Amortization						
8201 Depreciation			50,000.00			68,000.00
Total 8200 Depreciation & Amortization			50,000.00			68,000.00
8800 Miscellaneous Expenses						
9100 Bad Debts/Write Off						
Total Expenses			5,319,758.09			5,167,284.46
Net Operating Income			10,633.82			11,755.69
Net Income			10,633.82			11,755.69

COMMENTS, NOTES & ASSUMPTIONS	
Based on FY '22 Projection	
Based on FAMIS allocation - \$15.8/pupil - (NYS Software Law)	
Based on FAMIS allocation - \$6.60/pupil - (NYS Library)	
School plans on purchasing textbooks through FAMIS.	
Based on FAMIS allocation - \$61.60/pupil - (NYS Textbook Law)	
Based on FY '22 Projection	
Scoring of NYS Tests with the NYC Charter School Center test scoring consortium. The FY '23 budget is based on approximately 161 students taking the ELA and Math exams. In FY '22 147 students took the exams.	
Due to pandemic, opportunities for field trips will be reduced.	
Based on FY '22 Projection	
FY23 Budget amount is based on projections from FY22 with a slight increase to approximately \$21k per month for 10 months	
Snack for after school program.	
Based on FY22 projections	
Based on FY22 projections, although nothing spent	
School doesn't plan to utilize Hey Kiddo in FY '23	
Based on FY22 projections	
Based on FY22 projections	
Based on FY22 projections	
Ricoh Copy Machine (\$1,685/month) +(\$500 for excess printing) and Pitney Bowes machine (\$231/quarter)	
Based on FY22 projections	
School planned to purchase more in FY '22. Will have available new furniture in FY 23	
FY22 Budget assumes \$325/month (Time Warner)	
FY22 Budget assumes \$1,000/month (Time Warner/Spectrum)	
FY 22 budget based on 13 mobile devices for each classrooms and 2 printers for 2nd & 3rd floors)	
Based on FY21 projections	
FY22 Budget assumes \$315/month (Educational Networks Inc.) - is this needed or will it just be annual subscription fee.	
Based on FY21 projections	
Includes \$1,200 from FY21 Budget and Professional Development sessions provided by I-Ready 2 X \$1,000 and includes retreat.	
Reduced rate from FY21 Budget. This reduction is an effort to reduce the anticipated deficit. Low cost alternative activities and programs will be implemented to support teachers appreciation.	
Based on estimated cost FY22.	
FY '22 increased student recruitment to \$17k. Will school plan for that type of recruiting again in FY '23?	
Based on costs for 3 designated parking spaces in school lot. Three spaces will be partially paid for at \$150/month and will be reserved for staff. (rented from church - \$450/month for 10 months).	
Interest on EIDL loan \$641/month for 12 months.	
(Update 5.20.22 - IReady and Collaborative from NYCCSC	
Based on FY22 projections. Awaiting quote from insurance broker.	
Annual rent for year 10 of lease at \$408,163, and monthly kitchen rent at \$1,500. Less deferred rent.	
Based on FY22 projections (Assuming averages for ConEd of \$1,850/month and for Fuel \$1,850/month).	
FY '23 (\$250 per month for Pest Control; \$625 quarterly for grease cleaning; \$5,000 for Larry Williams for paint supplies \$25,000 cleaning supplies \$300/month 7/1/22 - 6/30/23	
FY23 Budget based on current FY22 depreciation and will also depend on FY23 spending plans of Fixed Assets.	
Projected Net Income After Depreciation	

**Harbor Science and Arts Charter School
Organizational Chart
SY 2022-23
DRAFT – August 2022**

Position	Staff Member	Room/Notes
Principal	Kelly Russell	
Assistant Principal	Pierre Hunt	
Academic Dean	Atiya Bailey	
Operations Administrator	Dr. George Sheppard	
Academic Support Coordinator	Karen Cenname	Contracted Employee
IT Manager	Mark Graham	Remote
Building Operations Manager / Security	Larry Williams	
School Secretary/Parent Coordinator	Christy Ramos	
Assistant Dean	John Sanchez	
School Nurse	Jaimie Coombs	Contracted Employee
School Social Worker	VACANCY	
Special Education Assistant / RTI Provider	Marleny Delarosa	
RTI Provider/Fundations Instructor	Blondie Baron	
SETSS/At-Risk Provider (K-4)	Brian Garrigan	
SETSS/At-Risk Provider (5-8)	Yolande Moore	
Kindergarten Lead	Halima Lawrence	
Kindergarten ICT Lead	Tara Madden	
1st Grade Lead	VACANCY	
1 st Grade ICT Lead	Lilly Davis	
2 nd Grade Lead	Walid Windley	
2 nd Grade ICT	Teacher Laura Shkouratoff	
3rd Grade Lead	VACANCY	
3rd Grade ICT Lead	VACANCY	
4 th Grade Lead	Doris Jaquez	
4 th Grade ICT Lead	Nicole Vallejo	
5 th Grade Lead	Adjele Tetteh	
5 th Grade ICT Lead	Leslie Fuller Hope	
6 th Grade Humanities	Nichole Gagnon	
6 th Grade Mathematics	Jamie Murillo	
6th Grade ICT	VACANCY	
7 th Grade Humanities	Elisabeth Smisson	
7 th and 8 th Grade Mathematics	Mark Johnson	
7th Grade ICT	VACANCY	
8th Grade Humanities	VACANCY	
8 th Grade ICT	Amar Williams	
6-8 Science	John Quinn	
6-8 STEM/ELL	Alex Brown	
Music Instructor	VACANCY	

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Art Instructor	VACANCY	
Physical Wellness	Angel Perez	
Cafeteria Aide	Angela Dendy	
Maintenance Engineer	Gregory Richardson	
Maintenance Engineer	Amin Adams	
Paraprofessional (3 rd Grade)	Jasmine Konsky?	CONTRACTED EMPLOYEE (RSA)
Speech Therapist	VACANCY	CONTRACTED EMPLOYEE (RSA) KC will assist with process.
Physical Therapist	VACANCY	CONTRACTED EMPLOYEE (RSA) KC will assist with process.
Occupational Therapist	VACANCY	CONTRACTED EMPLOYEE (RSA) KC will assist with process.

ADDITIONAL RESPONSIBILITIES (Stipends)

Position	Staff Member	Notes
Assessment Coordinator	Pierre Hunt	All NYS Testing Programming including interim assessments, NYS, and field testing is coordinated by P. Hunt. NYSLAT and NYSTELL will have K. Cenname as oversight with A. Brown executing on site.
Time Card Coordinator	Pierre Hunt	All attendance matters are documented and collected by P. Hunt. A spreadsheet is created and monthly updates are provided to staff. P. Hunt will provide monthly incentives for perfect attendance.
Spanish Translator	Christy Ramos	All Spanish translation for enrollment, recruitment, parent meetings, etc.
Human Resources	Mark Johnson	M. Johnson will be provided with office hours every Friday from 1pm – 4pm for staff.
ELL Coordinator	Alex Brown	Alex Brown will facilitate and administer all ELL services, intake, testing, etc for the school year with K. Cenname as oversight.
High School Articulation	Angel Perez	Angel Perez will host informational webinars for families in grades 6-8 throughout school year, organize all HS

INTERNAL USE ONLY

		paperwork, facilitate scholarship opportunities, open houses, weekly newsletter with information in both English and Spanish.
Music Club	TBD	
SCAN Maintenance	Gregory Richardson	2 hours per day SCAN is in session – Must be accounted for on time sheet
SCAN Maintenance/Security	Amin Adams	1 hour per day SCAN is in session – Must be accounted for on time sheet
HSACS Additional LS Maintenance	Amin Adams	1 hour per day – Must be accounted for on time sheet
Coaching Sports	TBD	Small stipend amount allocated for after school sports ** Must be discussed directly with J. Taylor since this is not a whole year commitment – offer letter must be supplied with specific information.

The University of the State of New York
Education Department



HARBOR SCIENCE AND ARTS CHARTER SCHOOL

Extension to Provisional Charter

This Instrument Witnesseth That, pursuant to section 2852 of the Education Law, the Board of Regents, for and on behalf of the Education Department of the State of New York, on July 11, 2022,

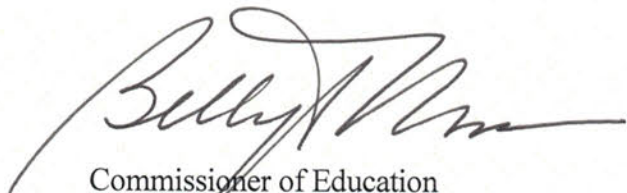
Issued, that,

An extension up through and including July 31, 2027, to the provisional charter, and any authorized extensions and amendments thereto, and any consolidations therewith, of the Harbor Science and Arts Charter School, which was granted on April 4, 2000.

Issued, July 11, 2022, by the Board of Regents of The University of the State of New York, for and on behalf of the State Education Department, and executed under the seal of said University and recorded as Number 1373.




Susan W. Gandy
Chancellor
New York State Board of Regents


Betty A. Stern
Commissioner of Education
President of the University of the State of New York



HARBOR SCIENCE AND ARTS CHARTER SCHOOL

This Instrument Witnesseth That, pursuant to section 2852 of the Education Law, the Board of Regents, for and on behalf of the Education Department of the State of New York, on July 11, 2022,

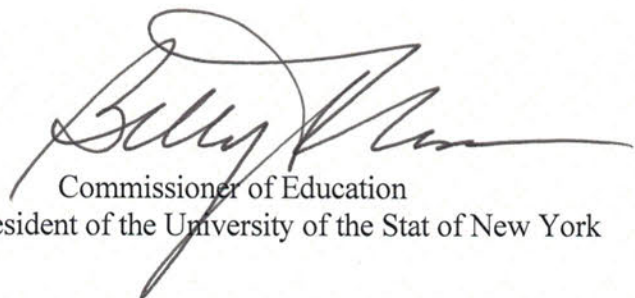
Issued, that,

A charter valid for a term up through and including July 31, 2027, to the Harbor Science and Arts Charter School pursuant to Article 56 of the Education Law and in accordance with the attached Sixth renewal charter agreement, between the Harbor Science and Arts Charter School and the Board of Trustees of the State University of New York.

Issued, July 11, 2022, by the Board of Regents of The University of the State of New York, for and on behalf of the State Education Department, and executed under the seal of said University and recorded as Number 1373.




Chancellor
New York State Board of Regents


Commissioner of Education
President of the University of the State of New York