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Northside Charter High School

Financial Statements

June 30, 2020 and 2019

Board of Trustees
Northside Charter High School
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Opinion

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Harrison, New York
September 23, 2020

Northside Charter High School

Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 5,717,270	\$ 5,943,963
Grants and contracts receivable	391,433	147,542
Prepaid expenses and other current assets	<u>69,858</u>	<u>135,616</u>
Total Current Assets	6,178,561	6,227,121
Property and equipment, net	523,105	420,752
Restricted cash	<u>75,447</u>	<u>75,391</u>
	<u>\$ 6,777,113</u>	<u>\$ 6,723,264</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 127,668	\$ 116,351
Accrued payroll and payroll taxes	-	351,406
Refundable advances	<u>-</u>	<u>2,602</u>
Total Current Liabilities	127,668	470,359
Paycheck Protection Program loan payable	<u>612,500</u>	<u>-</u>
Total Liabilities	740,168	470,359
Net assets, without donor restrictions	<u>6,036,945</u>	<u>6,252,905</u>
	<u>\$ 6,777,113</u>	<u>\$ 6,723,264</u>

See notes to financial statements

Northside Charter High School

Statements of Activities

	Year Ended June 30,	
	<u>2020</u>	<u>2019</u>
REVENUE AND SUPPORT		
State and local per pupil operating revenue	\$ 7,189,803	\$ 6,884,691
Federal grants	374,820	251,460
State grants	17,609	18,897
In-kind donation	-	35,000
Interest and other revenue	<u>86,099</u>	<u>80,247</u>
Total Revenue and Support	<u>7,668,331</u>	<u>7,270,295</u>
EXPENSES		
Program Services		
Regular education	4,965,597	4,643,481
Special education	<u>1,945,401</u>	<u>1,595,217</u>
Total Program Services	6,910,998	6,238,698
Supporting Services		
Management and general	<u>973,293</u>	<u>836,760</u>
Total Expenses	<u>7,884,291</u>	<u>7,075,458</u>
Change in Net Assets	(215,960)	194,837
NET ASSETS		
Beginning of year	<u>6,252,905</u>	<u>6,058,068</u>
End of year	<u>\$ 6,036,945</u>	<u>\$ 6,252,905</u>

Northside Charter High School

Statement of Functional Expenses
Year Ended June 30, 2020

	No. of Positions	Program Services			Management and General	Total
		Regular Education	Special Education	Total		
Personnel Services Cost						
Administrative staff personnel	15	\$ 631,272	\$ 159,950	\$ 791,222	\$ 527,481	\$ 1,318,703
Instructional personnel	42	2,158,866	1,070,854	3,229,720	-	3,229,720
Non-Instructional personnel	6	390,373	98,911	489,284	-	489,284
Total Salaries and Staff	<u>63</u>	<u>3,180,511</u>	<u>1,329,715</u>	<u>4,510,226</u>	<u>527,481</u>	<u>5,037,707</u>
Payroll taxes and employee benefits		733,015	306,461	1,039,476	121,569	1,161,045
Retirement		181,033	75,687	256,720	30,024	286,744
Legal fees		-	-	-	18,338	18,338
Audit fees		-	-	-	31,750	31,750
Financial management services		-	-	-	126,541	126,541
Contractual services		277,273	111,624	388,897	41,657	430,554
Marketing and recruiting		29,565	10,671	40,236	3,202	43,438
Staff development		67,405	17,079	84,484	-	84,484
Office expense		33,108	13,842	46,950	5,491	52,441
Telephone and internet		20,124	4,025	24,149	8,050	32,199
Travel and conferences		11,613	-	11,613	-	11,613
Textbooks and classroom supplies		94,848	24,032	118,880	-	118,880
Student activities and fees		47,574	-	47,574	-	47,574
School events		49,128	12,448	61,576	-	61,576
Insurance		84,551	10,569	95,120	10,569	105,689
Dues and subscriptions		-	-	-	26,414	26,414
Technology and equipment		19,201	5,908	25,109	4,431	29,540
Depreciation and amortization		116,700	23,340	140,040	15,560	155,600
Miscellaneous		19,948	-	19,948	2,216	22,164
Total Expenses		<u>\$ 4,965,597</u>	<u>\$ 1,945,401</u>	<u>\$ 6,910,998</u>	<u>\$ 973,293</u>	<u>\$ 7,884,291</u>

See notes to financial statements

Northside Charter High School

Statement of Functional Expenses
Year Ended June 30, 2019

	No. of Positions	Program Services			Management and General	Total
		Regular Education	Special Education	Total		
Personnel Services Cost						
Administrative staff personnel	15	\$ 576,846	\$ 131,206	\$ 708,052	\$ 472,035	\$ 1,180,087
Instructional personnel	39	2,073,303	902,357	2,975,660	-	2,975,660
Non-Instructional personnel	6	343,802	78,199	422,001	-	422,001
Total Salaries and Staff	60	2,993,951	1,111,762	4,105,713	472,035	4,577,748
Payroll taxes and employee benefits		648,318	240,744	889,062	102,216	991,278
Retirement		178,703	66,359	245,062	28,175	273,237
Legal fees		-	-	-	13,085	13,085
Audit fees		-	-	-	23,000	23,000
Financial management services		-	-	-	125,000	125,000
Contractual services		124,962	39,792	164,754	12,459	177,213
Marketing and recruiting		33,270	10,165	43,435	2,847	46,282
Staff development		107,621	24,479	132,100	-	132,100
Office expense		45,091	16,747	61,838	7,109	68,947
Telephone and internet		23,218	4,644	27,862	9,286	37,148
Travel and conferences		12,561	-	12,561	-	12,561
Textbooks and classroom supplies		100,845	22,937	123,782	-	123,782
Student activities and fees		73,700	-	73,700	-	73,700
School events		76,868	17,484	94,352	-	94,352
Insurance		82,829	10,353	93,182	10,355	103,537
Dues and subscriptions		-	-	-	9,814	9,814
Technology and equipment		27,456	8,448	35,904	6,336	42,240
Depreciation and amortization		106,517	21,303	127,820	14,202	142,022
Miscellaneous		7,571	-	7,571	841	8,412
Total Expenses		\$ 4,643,481	\$ 1,595,217	\$ 6,238,698	\$ 836,760	\$ 7,075,458

See notes to financial statements

Northside Charter High School

Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (215,960)	\$ 194,837
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	155,600	142,022
Donated property and equipment	-	(35,000)
Changes in operating assets and liabilities		
Grants and contracts receivable	(243,891)	190,665
Prepaid expenses and other current assets	65,758	(24,943)
Accounts payable and accrued expenses	11,317	(55,418)
Accrued payroll and payroll taxes	(351,406)	41,448
Refundable advances	(2,602)	(43,586)
Net Cash from Operating Activities	(581,999)	59,280

Changes

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Northside Charter High School

Notes to Financial Statements
June 30, 2020 and 2019

1. Organization and Tax Status

Northside Charter High School

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Policies

Recognition of Contributions

Effective July 1, 2019, the School adopted Accounting Standards Update (“ASU”) 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This guidance provides a framework for evaluating whether contributions and grants should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the School recognizes contributions and grants, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Restricted Cash

In November 2016, the Financial Accounting Standards Board issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU 2016-18 requires significant changes regarding how restricted cash is classified and presented on the statement of cash flows. On July 1, 2019, the School adopted the new guidance regarding the presentation and classification of restricted cash. The guidance requires the School to 1) include restricted cash and restricted cash equivalents in the cash and cash equivalents balances on the statements of cash flows, 2) provide a reconciliation between the statements of financial position and the statements of cash flows, 3) eliminate the presentation of transfers between restricted cash and cash equivalents, and 4) include disclosures about the nature of the restrictions for material balances. Adoption of the ASU resulted in a change in the accounting for restricted cash on the consolidated statements of cash flows.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net assets without donor restrictions - consist of resources available for the general support of the School’s operations. Net assets without donor restrictions may be used at the discretion of the School’s management and Board of Trustees.

Net assets with Donor Restrictions – represents amounts restricted by donors for specific activities of the School or to be used at a future date. The School records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The School had no net assets with donor restrictions as of June 30, 2020 and 2019.

Northside Charter High School

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Restricted Cash

Under the provisions of its charter, the School

Northside Charter High School

Notes to Financial Statements
June 30, 2020 and 2019

8. Concentration of Revenue and Support

The School receives a substantial portion of its revenue and support from the New York City Department of Education. For the years ended June 30, 2020 and 2019, the School received approximately 94% and 95% of its total revenue and support from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

9. Paycheck Protection Program Loan Payable

On May 2, 2020, the School qualified for and received a loan pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified PPP lender, for an aggregate principal amount of \$612,500 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the PPP upon the School's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the School. The School intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. The School believes that most, if not all, of the PPP Loan will meet the requirements for debt forgiveness. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan through the date principal is repaid in full or maturity date.

10. Contingency

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost 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.

11. Risks and Uncertainties

The School's operations and financial performance may be affected by the recent COVID-19 outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the School may



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

**Board of Trustees
Northside Charter High 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 Northside Charter High School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

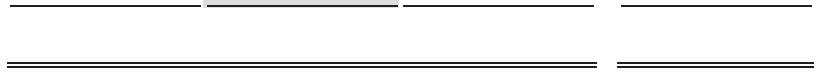
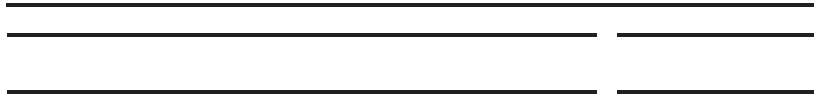
Purpose of this Report

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

Harrison, New York
September 23, 2020

Northside Charter High School
Statement of Financial Position
as of June 30

	2020	2019
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 5,717,270	\$ 5,943,963
Grants and contracts receivable	391,433	147,542
Accounts receivables	-	-
Prepaid Expenses	69,858	135,616
Contributions and other receivables	-	-
Other current assets	-	-
	5,717,270	5,943,963

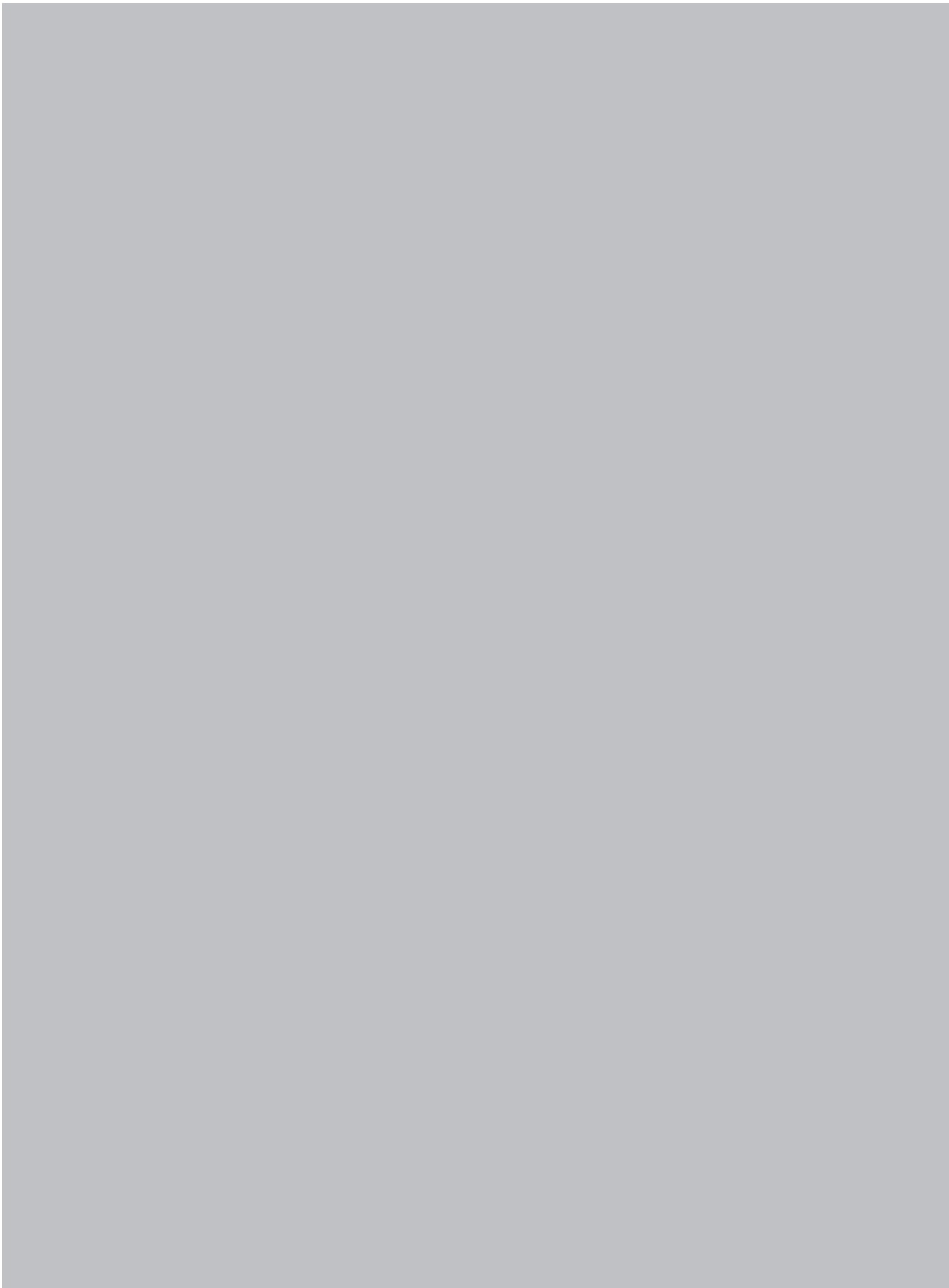


Northside Charter High School



Northside Charter High School

FY 20-21 Budget









Northside Charter High School
2020-2021 Board Approved Budget

	FY 20-21 Budget
Income	
4000 State Grants	
4001 Per Pupil Fund	6,368,585
4002 Special Ed Funds	966,286
4003 NYSTL/NYSSL/NYSLIB	33,180
4004 State Funds	58,800
Total 4000 State Grants	7,426,851
4100 Federal funding	
4101 Title I	143,165
4102 Title II	12,800
4104 IDEA Funding	65,700
4105 E-Rate	23,350
4107 Title IV	10,909
Total 4100 Federal funding	255,924
4200 Contributions & Donations	
4201 Unrestricted- Individual Contributions	8,000
4202 Unrestricted- Foundation Contributions	131,500
4203 Unrestricted- Corporate contributions	-
4204 Restricted- Individual Contributions	-
4205 Restricted- Foundation Contributions	-
4206 Restricted- Corporate contributions	-
Total 4200 Contributions & Donations	139,500
4300 Fundraising Income	
4301 Special Events Income	3,000
Total 4300 Fundraising Income	3,000
4400 Interest & Investment Income	
4401 Interest-savings/short-term investments	50,000
4402 Divident & Interest- Securities	-
4403 Unrealized Gain/Loss on Investments	-
4404 Realized Gain/Loss on Investments	-
Total 4400 Interest & Investment Income	50,000
4500 Management Fees	-
4600 Other Income- Student Related	
4601 Senior Dues Income	14,000

Northside Charter High School
2020-2021 Board Approved Budget

4607 Student Sales Income

Northside Charter High School
2020-2021 Board Approved Budget

	FY 20-21 Budget
Expenses	
5000 Personnel Expenses	
5100 Administrative Staff	659,135
5101 Administrative Leadership	315,123
5102 Administrative Support/ Office Services	356,373
5103 Restorative Justice	1,330,632
Total 5100 Administrative Staff	2,490,148
5200 Instructional Staff	847,983
5201 Classroom Teachers	480,924
5202 Special Education Teachers	-
5203 Counselors/Social Workers	-
5204 Literacy Coach	-
5205 Specialist	-
Total 5200 Instructional Staff	3,819,056
5300 Instructional Support	
5301 Director	
5302 Assistant Director	
5303 Associate	
Total 5300 Instructional Support	659,135
5400 Per Session	
5500 Summer School & Other	
5510 Staff Incentives	
5520 Staff Bonuses	
Total 5500 Summer School & Other	
5530 W2GRP	
5550 Care Day Payout	
Total 5000 Personnel Expenses	659,135
5600 Personnel Benefits	
5601 Social Security- EE Exchange	
5602 Social Security- ER Exchange	
5603 Medicare- EE Exchange	
5604 Medicare- ER Exchange	
5605 Federal Payroll Tax Exchange	

Northside Charter High School
 2020-2021 Board Approved Budget

	FY 20-21 Budget
5606 State Payroll Tax Expense	-
5607 Local Payroll Tax Exchange	18,204
5608 NY Metro Tax	7,000
5609 NYS SUJ/ Disability	32,538
5610 403(B) Contribution- EE Exchange	-
5612 403(B) Plan Fees	-
5614 403(b) Match	329,580
5615 Tuition Reimbursement	10,000
5616 Garnishment Clearing Account	-
5617 Misc Deduction	-
5618 Staff Incentives	22,500

Northside Charter High School
2020-2021 Board Approved Budget

	FY 20-21 Budget
5620 Employee Insurances	504,756
5621 Health Insurance	31,822
5622 Dental Insurance	28,089
5623 Life, Disability, AD& D Insurance	60,000
5624 Workers Comp Insurance	3,132
5625 Vision Insurance	75,000
5626 HRA Expenses	702,799
Total 5620 Employee Insurances	1,516,573
Total 5600 Personnel Benefits	
6000 Direct Educational Expenses	
6001 Classroom Supplies	30,000
6002 Textbooks/ Materials	209,722
6004 Testing/ Assessment	11,000
6005 Gym Equipment & Supplies	5,000
6006 Field Trips	20,000
6007 Parent Engagement	15,000
6008 Food Services	30,000
6009 Student Support/ Emergencies	-
6010 Scholarships	30,000
6012 NYSTL Expenses	24,332
6013 NYSSL Expenses	6,241
6014 NYLIBR Expenses	2,607
6015 School Events and Sports	
6016 School Events	60,000
6017 Student Sports	30,000
6018 Senior Prom	-
6019 Senior Dues	18,731
6020 Graduation	10,000
Total 6015 School Events and Sports	118,731
Total 6000 Direct Educational Expenses	502,633
7000 Administrative Expenses	
7001 Office Supplies	90,000
7002 Phone/ Internet	36,000
7003 Postage & shipping	5,000

Northside Charter High School
2020-2021 Board Approved Budget

	FY 20-21 Budget
7004 Printing/ Copying	5,000
7005 Copier/ Fax Lease	19,219
7006 Books/ Subscriptions/ References	5,000
7007 Staff Meals	15,000
7008 Staff Travel/ Transportation/ Accommodations	5,000
7009 Technology Expenses	15,000
7011 Non-Capitalized Furniture/ Fixtures	2,000
7012 Non-Capitalized Computers	-
7013 Non-Capitalized Software	20,000
7014 In-house publications	-
7015 Equipment Rental	-
7016 Kitchen Non-Cap Supplies/ Materials	-
Total 7000 Administrative Expenses	217,219

Northside Charter High School
2020-2021 Board Approved Budget

	FY 20-21 Budget
7100 Professional Fees	
7101 Accounting and Audit Fees	32,000
7102 Legal fees	15,000
7103 Temporary/ Contract Help	-
7104 Payroll Service Fees	126,720
7105 Substitute Services	52,000
7106 Special Education Consultants	-
7107 Network Management Fees	-
7108 Computer/Tech Consultants	62,000
7109 Professional Fees Other	168,500
7110 NYU Tutors	-
7111 In-Kind/Donated Services	-
7112 Financial Management Services	21,000
7113 Public Relations/ Development	-
Total 7100 Professional Fees	477,220
7200 Insurances	
7201 Liability insurance	72,516
7202 Building Insurance	-
7203 D& O Insurance	3,592
7204 Student Accident	-
7205 Umbrella Policy	31,745
7206 Commercial Package	-
7207 Crime Insurance	2,928
7208 Auto Insurance	-
Total 7200 Insurances	110,781
7300 Professional Development	
7301 Staff development	187,100
7302 Leadership Development	125,000
7303 Board Development	9,900
Total 7300 Professional Development	322,000
7400 Marketing & Recruitment	
7401 Student Recruitment	20,000
7402 Staff Recruitment	15,000
7404 Marketing/ Advertising	-

